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3 REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

4 OCTOBER 22ND & 23RD, 2012

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7 VOLUME II OF II

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12 TVA

13 400 WEST SUMMIT HILL DRIVE

14 KNOXVILLE, TENNESSEE 37902

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20 REPORTED BY:

21 KIMBERLY J. NIXON, RPR  
22 NATIONAL REPORTING AGENCY  
23 1255 MARKET STREET  
24 CHATTANOOGA, TENNESSEE 37402  
25 WWW.NATIONALREPORTING.COM  
423.267.8059  
423.266.4447 (FAX)

## 1 MEMBERS OF THE REGIONAL RESOURCE STEWARDSHIP COUNCIL

2 \*MR. WILSON TAYLOR (FACILITATOR)

3 \*MRS. DEBORAH K. WOOLLEY (COUNCIL CHAIR)

4 \*MR. BRUCE SCHOLFIELD

5 \*MR. MIKE BALL

6 \*MR. KARL W. DUDLEY

7 \*MRS. JEAN KELLEMS ELMORE

8 \*MR. BILL FORSYTH

9 MR. MICHAEL GOODMAN

10 \*MR. PHIL HAZLE

11 \*MR. JOE HOAGLAND

12 \*MR. MARK HOMMICH

13 \*MRS. RENEE V. HOYOS

14 \*MR. MARK IVERSON

15 \*MR. MITCH JONES

16 \*MRS. AVIS KENNEDY

17 \*MR. GEORGE B. KITCHENS

18 \*MR. TOM LITTLEPAGE

19 \*MR. JOHN K. MATNEY

20 \*MR. ROBERT J. MARTINEAU, JR.

21 \*MR. W. C. NELSON

22 \*MR. JACK SIMMONS

23 MR. PAUL SLOAN

24 MR. RUSSELL TOWNSEND

25 \*PRESENT FOR THE MEETING

1 TENNESSEE VALLEY AUTHORITY DESIGNATED FEDERAL OFFICER

2  
3 MR. BRUCE SCHOFIELD, DFO  
4 TENNESSEE VALLEY AUTHORITY  
5 400 WEST SUMMIT HILL DRIVE  
6 KNOXVILLE, TENNESSEE 37902  
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## 1 P R O C E E D I N G S

2 FACILITATOR WILSON TAYLOR: So if we  
3 could go ahead and grab a seat we will get started  
4 this morning.

5 Thanks. Thank you. I hope everybody  
6 had an enjoyable evening last night.

7 First of all, I want to ask the  
8 question or make a comment in regard to the parking.  
9 If you were charged for parking, we would like to  
10 remind you that TVA is going to pick that up. So if  
11 it was on your bill, it will be reversed. So you  
12 should not have to fill out a request for  
13 reimbursement for parking. So if parking was on your  
14 hotel bill, ignore that because TVA — Beth is going  
15 to ask that that be reversed from that bill.

16 The second thing is we had a really  
17 good discussion from some of our presenters  
18 yesterday. One group of presenters had some  
19 technical difficulties, and they wanted to know the  
20 Council's pleasure of them doing a five-minute review  
21 of the web site that they wanted to show you  
22 yesterday.

23 So, Deb, how would that —

24 CHAIR DEBORAH WOOLLEY: I think that's  
25 fine.

1 FACILITATOR WILSON TAYLOR: Okay. All  
2 right. So Will and Clay, if you would.

3 MR. CLAY GUERRY: Good morning again.  
4 I do apologize about the -- apparently the only  
5 window where it didn't work was that small window  
6 where we really wanted it to work.

7 MR. JOE HOAGLAND: That's how it  
8 normally works.

9 MR. CLAY GUERRY: So I know you guys  
10 have a really packed agenda. So we will be really  
11 quick. We just want to -- and as -- and again, to  
12 remind you guys, this is live on our web site now.  
13 So if you're -- if you're -- if you're really  
14 interested in all -- in all the features then -- then  
15 you can check this out via TVA.com.

16 So this is our interactive web map.  
17 It has all the undeveloped recreation lands as Jack  
18 alluded to yesterday, our Zone 3's and 4's. Also, we  
19 have our dam reservations, which are Zone 2 project  
20 operations. Those are labeled no hunting areas.

21 We zoomed into -- into Norris here.  
22 We do have bookmarks for -- for each reservoir.  
23 Will. Yeah. So we can zoom into any -- any of our  
24 reservoirs that the user would be interested in.

25 Our legend over here, we have it coded

1 for dam reservations where we do not allow hunting.  
2 There are a few other lands scattered throughout the  
3 Valley that -- that for -- for whatever reason are  
4 also labeled no hunting.

5 Then we have our general -- our  
6 general undeveloped recreational lands where we allow  
7 general -- a general recreation, which does -- which  
8 does include hunting in accordance with state,  
9 federal, and other local regulations.

10 MR. JACK SIMMONS: Does it include  
11 back country camping?

12 MR. CLAY GUERRY: Yes. It also  
13 includes camping for 14 days, and that is addressed  
14 in our rules and regs which we saw yesterday.

15 We can toggle back. With our base map  
16 we can go to bing hybrid, our streets, which is what  
17 was up on the first, and also topos which are of  
18 particular interest to hunters and other -- any other  
19 dispersed recreationists.

20 So that's pretty much it. So what  
21 this is -- is designed to -- again, as I said  
22 yesterday, the two major questions, where are your  
23 lands and what can I do when we get there? This is  
24 where your lands are and what can I do when I get  
25 there is addressed with the general rules and regs

1 that we discussed yesterday.

2 Also, this is available for download.  
3 These maps are available for download on your iPhone  
4 or other SmartPhone. Those instructions are on the  
5 disclaimer page when you click the map from TVA.com.

6 It's really unique because you can  
7 actually see where you are real-time. While you're  
8 on TVA lands you can see exactly where you are on  
9 that particular parcel of land and what you can do  
10 while you're there.

11 So that's pretty much it, unless  
12 anyone has any questions.

13 Thank you.

14 FACILITATOR WILSON TAYLOR: Thank you,  
15 Clay. The next item I would like to do is, Bruce,  
16 Joe, do you have any reflections from yesterday's  
17 discussion before we begin?

18 DFO BRUCE SCHOFIELD: No. I think  
19 it's probably going to be a full discussion in the  
20 morning, and we will get to those comments as we need  
21 to. So I think we ought to move forward.

22 FACILITATOR WILSON TAYLOR: All right.  
23 Thank you, Bruce. Thank you, Joe.

24 So let's go ahead and talk about the  
25 discussion and advice from the panel. I'm going to

1 turn that over to Bruce Schofield to lead that  
2 discussion. I have another commitment this morning  
3 in one of the other rooms here in the building. So  
4 when I get up and walk out, it's not because I am mad  
5 at anybody.

6 Bruce.

7 CHAIR DEBORAH WOOLLEY: They were  
8 going to go over this, I think, today.

9 DFO BRUCE SCHOFIELD: This was a  
10 question that Mitch had asked for. If we could take  
11 about five minutes to let Karen walk through the  
12 process by which an application runs. The question  
13 that Mitch asked yesterday, I think you have a flow  
14 chart for us.

15 MS. KAREN RYLANT: I do.

16 CHAIR DEBORAH WOOLLEY: Do you want to  
17 hold it until Mitch gets here?

18 DFO BRUCE SCHOFIELD: Anyone else  
19 interested? We will wait on him to go do that.

20 So then if we could pull up the  
21 questions, the discussion questions. We have  
22 someone -- some -- between Karen and Will and Erika,  
23 we will get comments and move through the process to  
24 kind of revise and distill down the comments.

25 Again, we had a presentation yesterday

1 on what constitutes 26(a), what the fees are  
2 currently, some evaluations as to where we went  
3 through to establish what we believe a more  
4 appropriate rate would be for those application fees.

5 And again, we are proposing changes  
6 not to the non-standard or the commercial and  
7 industrial 26(a) permits but to the private water use  
8 facility fee structure and moving that from 200 to  
9 500 for initial application and from 200 to 250 for a  
10 fee transfer to go do that.

11 The advice we are looking for is from  
12 your perspective as a Council, what considerations  
13 should TVA give to establishing the 26(a) permit  
14 application fees?

15 So I think we start with that one and  
16 we will begin as we would normally do and open that  
17 up.

18 Karl.

19 MR. KARL DUDLEY: Yes. I think the  
20 consideration should be for full cost recovery of all  
21 applications.

22 CHAIR DEBORAH WOOLLEY: And I think —  
23 and I would like to add to that that I think we need  
24 to find out what the full cost recovery is.

25 Is it simply staff time for processing

1 an application?

2 Is it programmatic for running the  
3 program?

4 Is it compliance?

5 I sense from what we have heard that  
6 it was simply staff time for processing an  
7 application as opposed to full costs for running the  
8 program.

9 DFO BRUCE SCHOFIELD: Phil.

10 MR. PHIL HAZLE: Yes, sir. I would  
11 like to go on the record to say that I would be  
12 opposed to any ratepayer -- the electric ratepayers  
13 subsidizing any of these 26(a) fees.

14 And also, I think the TVA needs to  
15 look into a process to update these property  
16 transfers along the Tennessee River. A lot of these  
17 places are flipping and I think there could be a lot  
18 of revenue gained by targeting those and, you know,  
19 have them do a transfer.

20 Thank you.

21 DFO BRUCE SCHOFIELD: Mike.

22 MR. MIKE BALL: I was just thinking,  
23 of course, the big raise is on those simple  
24 application fees when you're talking about going from  
25 2 to 500.

1 I was kind of looking at some of those  
2 projects. There's a very broad range of projects in  
3 there. It can be from building a little boathouse to  
4 a foot bridge.

5 And I think on the costs, surely it  
6 costs more to look at a bigger project than a smaller  
7 project, and we're getting to the point where the  
8 permit could wind up costing the folks nearly as much  
9 as some of the smaller projects.

10 So I wonder if there's a way that they  
11 could get -- that they could come up with a lower fee  
12 or at least stay the same on the real smaller ones, I  
13 mean, a further division of that category before you  
14 go up.

15 DFO BRUCE SCHOFIELD: Deb was up and  
16 then Karl.

17 CHAIR DEBORAH WOOLLEY: And this is  
18 not Deb. I am John Matney now because he couldn't be  
19 here and he gave me his comments.

20 DFO BRUCE SCHOFIELD: Excuse me.  
21 John.

22 CHAIR DEBORAH WOOLLEY: I just got far  
23 wealthier and much more knowledgable.

24 John thinks it's important that we  
25 address the transfer fee issue. He thinks it should

1 be done with an education project that is -- if  
2 you've got people out there with permits, you should  
3 have their names and addresses. There should be some  
4 kind of reminder to them.

5 There should be a penalty if the  
6 permit is not either updated when there's additions  
7 made or transferred at the time of a property  
8 transfer.

9 And his other point in this question  
10 was he feels like -- he felt like there was a real  
11 gray area when you talked about going upstream.

12 Exactly how far is upstream?

13 He was talking, I think, about some of  
14 the agriculture land, where does it start and stop  
15 and how do you know and how can you expect a farmer  
16 to know if it's somewhere up his land and he's doing  
17 a culvert and is he too far upstream, not far enough  
18 upstream? He felt like there needs to be a lot of  
19 clarity on that.

20 DFO BRUCE SCHOFIELD: Karl.

21 MR. KARL DUDLEY: Yeah. I just wanted  
22 to consider Deborah's comment, I would just like to  
23 change full to total cost recovery.

24 DFO BRUCE SCHOFIELD: Total. Okay.  
25 Good. Makes sense. It would be Tom.

1 MR. TOM LITTLEPAGE: Yeah. I was  
2 going to kind of follow up to something Deb said  
3 yesterday, but the concept of the duration of these,  
4 you know, that there's very little of these  
5 construction activities that are lifetime, and the  
6 idea of a duration associated with the permit should  
7 be considered to the degree that TVA should consider  
8 some kind of aspect of how to recover some monitoring  
9 or compliance costs associated with this.

10 You know, if there's a challenge in  
11 terms of the regulatory structure of how these costs  
12 are incurred, maybe you do a shorter term aspect of  
13 the renewal. You know, it's a five year permit  
14 versus a 20 year permit as a way to sort of  
15 compensate for that monitoring component that you may  
16 not be able to charge an annual fee or something like  
17 that.

18 DFO BRUCE SCHOFIELD: W. C.

19 MR. W. C. NELSON: I just wanted to  
20 remind the Council that not all 26(a) permits are for  
21 boat dock permits. If I've gotten a lot and I've got  
22 an area that's eroding and I want to put a riprap on  
23 25 feet or 30 feet, I have got to get a 26(a) and I  
24 have got to pay \$500 to do \$250 worth of work. So  
25 you need to keep that in mind because it's not just

1 boat docks.

2 Any work you do along the shoreline,  
3 any kind of improvement, when you're improving the  
4 stability of the shoreline, you have got to pay this  
5 same amount. So you could hinder some people from  
6 doing it, if I am correct on that.

7 DFO BRUCE SCHOFIELD: Karen.

8 MS. KAREN RYLANT: I just have a  
9 clarification. I didn't really discuss the issue of  
10 when we waived the application fee yesterday, but  
11 there are some situations where either there's a  
12 benefit to TVA or the general public that we actually  
13 waive the application fee. Shoreline stabilization  
14 is one of those cases. So any application for riprap  
15 or any type of shoreline stabilization is not paying  
16 an additional application fee.

17 MR. W. C. NELSON: It has been  
18 charged. I was charged for shoreline stabilization.

19 MS. KAREN RYLANT: Did you have  
20 another facility with your stabilization?

21 MR. W. C. NELSON: Huh-uh.

22 MS. KAREN RYLANT: I would have to  
23 look into those.

24 DFO BRUCE SCHOFIELD: It's a comment,  
25 and I think going back and relooking at how we do

1 that. There's a couple of different discussions  
2 about maybe the more granularity in the way we do  
3 fees to Mike's point. So point made.

4 Deb.

5 CHAIR DEBORAH WOOLLEY: I think  
6 it's --

7 DFO BRUCE SCHOFIELD: Deb or John.

8 CHAIR DEBORAH WOOLLEY: I am Deb this  
9 time. So this probably won't be a good comment.

10 I think it gets to a little bit to  
11 what you-all as TVA defines as a 26(a), and from  
12 everything -- I mean, from what I read in the little  
13 brief summary you gave me, it's a construction,  
14 maintenance, long-term thing, but what I hear from  
15 what you're telling me is you almost treat it like a  
16 construction permit. You're not coming back and  
17 re-inspecting for the long-term, you're not looking  
18 at that.

19 So what you're really doing is you're  
20 doing a construction permit. Although, you just call  
21 it a 26(a) permit, and it becomes a lifetime user  
22 fee. If it were really defined, then you would have  
23 something like they're talking about that would just  
24 truly be a small construction project as opposed to a  
25 long-term, say, dock, steps that let you get in the

1 water, that becomes a use fee also.

2 And I'm still not real clear from your  
3 regs exactly what you can do, but if there's any  
4 broadening there or redefining or the concept that  
5 it's not one-size-fits-all, I think you could benefit  
6 from it and I think you could actually bring a little  
7 more clarity and fairness to the people getting it.

8 DFO BRUCE SCHOFIELD: Does that last  
9 comment catch that?

10 CHAIR DEBORAH WOOLLEY: That's not  
11 really the necessity for it. It's clarifying the  
12 scope of it really and whether you mean it as, I am  
13 going to build a dock, so you're going to give me a  
14 permit and it's good for 18 months for me to build  
15 the dock and then I've got it for life.

16 I mean, from what I -- and I'm not a  
17 lawyer and I'm certainly not a regulatory person, but  
18 it sounds like from the wording I see and the scope  
19 of what the permit can cover is more. So how do you  
20 make it -- am I making sense?

21 DFO BRUCE SCHOFIELD: Yeah, it makes  
22 sense.

23 Other?

24 CHAIR DEBORAH WOOLLEY: Here's Mitch.  
25 We have already got it all worked out, Mitch.

1 DFO BRUCE SCHOFIELD: And Mitch, these  
2 are the comments so far on the first question; which  
3 is, from your perspective what consideration should  
4 TVA give to establishing 26(a) application fee?

5 W. C.

6 MR. W. C. NELSON: I just wanted to  
7 comment on Deborah's comment there. I'm not sure  
8 though that you have to go back and charge someone a  
9 fee. A lot of people get a dock and it's there for  
10 20 years.

11 I think once it's permitted and it's  
12 there, I think that ought to be it. That's what it's  
13 been in the past. You just bring on more accounting  
14 and more things for people to remember to pay every  
15 five years, ten years, whatever.

16 I think you really don't do anything  
17 for the money to renew that permit, if that's kind of  
18 what you were leading up to, and that's what I took  
19 it as.

20 CHAIR DEBORAH WOOLLEY: I think -- I  
21 think -- I think the concerns I have are a couple  
22 fold. It's, one, that over time -- I mean, basically  
23 a lot of these have to do with the use of the lake  
24 and over time what it is -- how that lake can be used  
25 or how that reservoir or body of water can be used

1 changes as standards change for erosion,  
2 environmental, whatever. So you do this one-time  
3 thing and you have really given somebody a use permit  
4 as opposed to that.

5 Then say I come along and I buy a lot  
6 on the lake and there's no more docks allowed, but  
7 I've some guy down the road that paid \$100 26 years  
8 ago and he's got complete use. I'm not sure that I  
9 understand the fairness. I'm not sure that I  
10 understand how -- if TVA is not advocating a little  
11 bit of responsibility to be sure that everything is  
12 maintained, that it doesn't change.

13 I know when we went up to look at some  
14 of the marinas and saw what was happening with the  
15 housing, it's kind of like these things creep up on  
16 you and suddenly you can't go back and change them.

17 I'm not sure that I'm advocating for a  
18 use fee every year. I'm not sure I'm not just  
19 looking at a five-year or ten-year renewal of a  
20 permit, which might be less expensive than a  
21 first-time permit. It also might help them catch  
22 people who have sold their property or transferred it  
23 or added on it or whatever. I don't know. I'm  
24 just -- I think there's a scope of change that's not  
25 being addressed.

1 DFO BRUCE SCHOFIELD: Jean.

2 MRS. JEAN ELMORE: I think that the  
3 kind of cracking down on the transfers would cover  
4 that. I think if you start charging on a five-year  
5 or a ten-year or every year or whatever, you're going  
6 to have so much negative PR. I mean, you know, a  
7 permit is a permit, and I just don't see charging  
8 more and more on that. I mean, that's just, you  
9 know, my opinion.

10 CHAIR DEBORAH WOOLLEY: I just can't  
11 think of any permit from anybody else that is a  
12 one-time lifetime.

13 MRS. JEAN ELMORE: It's a building  
14 permit.

15 CHAIR DEBORAH WOOLLEY: But it's not  
16 if you read what the legislation says. It's building  
17 maintenance.

18 MRS. JEAN ELMORE: But you have --  
19 because I think mostly this is centering on boat  
20 docks. Certainly there needs to be some definition  
21 about other projects, but if we're talking about the  
22 permits on, let's say, building a boat dock for a  
23 house, that boat dock is going to be there. Now,  
24 there may have to be some refurbishing of it, but  
25 it's -- I just don't think we need an ongoing fee.

1 DFO BRUCE SCHOFIELD: Avis.

2 MS. AVIS KENNEDY: The granting of a  
3 privilege to build and maintain a dock, pier, steps  
4 or a deck basically grants the permittee private and  
5 exclusive use of what is public lands or water.

6 Small though the piece of land might  
7 be or the piece of water might be, once a homeowner  
8 builds something on it, it is no longer available for  
9 the general public to walk on or fish where the dock  
10 is or whatever.

11 So they are being granted something  
12 more than just permission to construct something.  
13 They are being granted a privilege to have exclusive  
14 use of this little piece of land or water for  
15 themselves.

16 The way the permits are set up now is  
17 it's granted forever as long as they get it, get the  
18 permit. Whereas, if it were granted for a shorter  
19 period of time, it allows the Agency to review all of  
20 their compliance with permit conditions and visit the  
21 site to see if they have modified it some way that's  
22 not permissible, is it in bad condition falling off  
23 in the lake unsafe, unsafe electrical wires, for  
24 example, going to the dock, all of that gets to be  
25 inspected on whatever time the permit expires.

1 DFO BRUCE SCHOFIELD: Mark.

2 MR. MARK IVERSON: I am assuming this  
3 scope discussion we're talking about, revisiting  
4 property would be an additional staff requirement or  
5 could this be done within the existing?

6 DFO BRUCE SCHOFIELD: Based on the  
7 current scope of what I hear, it will be additional  
8 staffing in some manner.

9 MR. TOM LITTLEPAGE: I thought Karen  
10 said yesterday there was a selection of a certain  
11 percentage that's reviewed.

12 DFO BRUCE SCHOFIELD: I understand,  
13 but what I am hearing is everything.

14 MR. W. C. NELSON: Everything.

15 DFO BRUCE SCHOFIELD: If it's a  
16 five-year interval or we can stagger that or if it's  
17 a three-year interval and we stagger it or if it's a  
18 one-year interval, there's really no stagger. So  
19 it's --

20 MR. TOM LITTLEPAGE: 50,000 permits  
21 every year?

22 DFO BRUCE SCHOFIELD: Somehow,  
23 someday.

24 W. C.

25 MR. W. C. NELSON: I just wanted to

1 make a comment about the public use of the water  
2 where the dock is. The only thing that you would be  
3 disallowing would be the footprint of the dock  
4 itself. You still have the ability to fish right at  
5 the dock, and in most cases, around the dock is  
6 better fishing. It creates a habitat. There's  
7 always fish around docks.

8           So I don't think the public is losing  
9 anything. You can't prevent anyone from fishing  
10 right at your dock. So there's really not any laws.  
11 And if you start doing this, you're going to bring on  
12 a whole other level of staffing and another level of  
13 costs, and then are you being able to recover that  
14 cost? You just make it more complicated. I mean,  
15 the system we have works.

16           CHAIR DEBORAH WOOLLEY: It doesn't  
17 work.

18           MR. W. C. NELSON: I agree we have to  
19 increase the rate and you have to pay for it because  
20 it's 18 years or 15 years old, 16 years old, however  
21 old it is, and it certainly needs to be brought in  
22 line with current standards, but I am for keeping the  
23 same process that we've had in the past.

24           DFO BRUCE SCHOFIELD: Mitch. We had  
25 the flow chart discussion if you would like to see

1 that now.

2 MR. MITCH JONES: Have you had it?

3 DFO BRUCE SCHOFIELD: We have not. We  
4 waited on you.

5 MR. MITCH JONES: If the folks in  
6 Knoxville could drive 40 better, I would have been  
7 here on time. Everybody wants to hit everybody this  
8 morning.

9 Bruce, you and I have been doing this  
10 for four years, and what -- I agree with W. C., that  
11 the process works generally. Adding staff to do  
12 something, no.

13 You need a rate increase commensurate  
14 with 14 years of doing nothing. Whether that rate  
15 increase is correct or not, I think Karen did a  
16 great -- probably the best presentation I have heard  
17 from TVA in a long time was yesterday. She's very  
18 knowledgeable.

19 So I want to understand a little bit  
20 more about the process for a 26(a) not only from a  
21 residential perspective but from a commercial  
22 perspective because they are all one in the same.

23 The final point is there needs -- in  
24 my opinion, there should be a difference in the rate.  
25 If I own the dirt fee simple, I am paying real estate

1 taxes for that dirt. So it -- I am aware of multiple  
2 different tracks here on Loudon, for example, that I  
3 come to you with a permit to either renovate, change  
4 the ownership or build a dock, my first mindset is,  
5 okay, I am giving you a flowage easement to flood  
6 this property. We all understand that that's a good  
7 thing. Yet, at the same time I'm paying the real  
8 estate taxes on that property and someone would  
9 say -- somebody may say, well, it's not a lot. Well,  
10 if you live in the Knox County area it is a lot, and  
11 they go up. No matter what, the values of property  
12 go up. I am dealing with it now. I went from 78,000  
13 a year for 20 acres to 104 in one year.

14 To that end, if I own the real estate  
15 fee simple out into the water, it's deeded, then I  
16 should pay something less for the permitting process  
17 than if I don't own the property fee simple.

18 DFO BRUCE SCHOFIELD: Did we catch  
19 that?

20 And before we get to Jean and W. C.,  
21 do we want to go back and have Karen walk through the  
22 flow chart now that we have Mitch here?

23 MR. MITCH JONES: I will leave that to  
24 you-all.

25 MRS. JEAN ELMORE: It doesn't matter

1 to me.

2 MR. W. C. NELSON: I'd just like to  
3 make one comment on a subject he said and then we  
4 will do it.

5 DFO BRUCE SCHOFIELD: Okay.

6 MR. W. C. NELSON: It's very short.  
7 The only thing, Mitch, in what you're saying, I agree  
8 with you to a point, but it costs the same amount to  
9 do the 26(a) on your flowage easement land that it  
10 does -- and you're really getting to put it on the  
11 water rather than on your land.

12 MR. MITCH JONES: But if I -- W. C.,  
13 if I own the property in the water?

14 MR. W. C. NELSON: You should go to  
15 your tax folks and say, look, this water is low, low  
16 value because I don't get to use it. They have got  
17 water backed up. So it ought to be at a low, low  
18 rate.

19 MR. MITCH JONES: You would think that  
20 would -- your line of thinking is good in the sense  
21 of just general common sense. However, the county  
22 doesn't think that way or the community that -- they  
23 look at the value of that water about the same as  
24 they do on upland property. We're going through that  
25 now throughout the Valley system with 173 marinas,

1 commercial marinas.

2 DFO BRUCE SCHOFIELD: Close.

3 MR. MITCH JONES: And in that with the  
4 policy that we all as a board came up with to help  
5 them last year with the commercial marinas and  
6 campgrounds, we're going through evaluations of real  
7 estate throughout all seven states.

8 We have appraisers. When I die and I  
9 come back, if I do, the good Lord doesn't keep me,  
10 he's going to send me back as an appraiser because  
11 they charge a \$5,000 fee and they have absolutely no  
12 liability to what they are saying, we all agree with  
13 that. Very good.

14 To that end, we're seeing values of —  
15 what we're seeing is property values that are  
16 associated with water is a pretty significant  
17 increase in value, whether it's flooded in a  
18 floodplain, whether it's right or wrong, that's what  
19 these communities are doing to raise money. It's  
20 happening all around where you live.

21 So I just think that it may cost the  
22 same to the TVA, but as a homeowner or a commercial  
23 operator it's hard to swallow that I am paying the  
24 real estate taxes on that property and my fee is no  
25 different than the person down the river that is

1 using public land because at the end of the day if  
2 it's fee simple and I pay real estate taxes on it,  
3 it's my land, it's not the public's. I am giving the  
4 TVA a flowage easement to flood it.

5 DFO BRUCE SCHOFIELD: Jean.

6 MRS. JEAN ELMORE: Just a very quick  
7 comment. I want to go on record in agreeing that the  
8 ratepayers should not have any liability in paying  
9 for what we as individuals want. So we need to set  
10 it up somehow so that -- you know, we need to explore  
11 all of the avenues for the revenue, but the rate  
12 payers should not have to bear that burden.

13 Also, as to the fishermen and the  
14 public use of it, they know that that's TVA land. I  
15 mean, they come right in and they -- and it's not a  
16 bother. I mean, they come in around all of the -- or  
17 at least they do on Pickwick, the boat docks and all  
18 because that is where there's a lot of good fishing.  
19 You see them all the time fishing right up in under  
20 the docks and around the docks. So that's it.

21 DFO BRUCE SCHOFIELD: Avis.

22 MS. AVIS KENNEDY: I had, I guess,  
23 more of a legal question. Is the 26(a) permit  
24 granting any kind of real property rights?

25 DFO BRUCE SCHOFIELD: No.

1 MS. AVIS KENNEDY: Okay. It's not  
2 granting real property rights to the applicant?

3 DFO BRUCE SCHOFIELD: No.

4 MS. AVIS KENNEDY: So what it's  
5 granting is strictly permission that comes from  
6 Section 10 of the Rivers and Harbors Act as far as  
7 the waterway is concerned? What's that kind of  
8 rooted in the permits themselves?

9 MS. KAREN RYLANT: It's really purely  
10 a construction permit, and it's rooted in Section  
11 26(a) of the TVA Act that requires you to get prior  
12 approval from TVA for any proposed construction  
13 across a -- it's grounded in Section 26(a) of the TVA  
14 Act, and it's purely a -- I have heard a lot of  
15 discussion about what the permit grants or  
16 authorizes, and it's truly just a construction permit  
17 that says if it's constructed in accordance with  
18 those plans that there would not be any significant  
19 impact to flood control or navigation of public land,  
20 and there are no land rights associated with that.

21 MS. AVIS KENNEDY: So what does it say  
22 about the continued existence of the structure once  
23 it's constructed?

24 MS. KAREN RYLANT: The permit  
25 authorizes the applicant to maintain that structure.

1 DFO BRUCE SCHOFIELD: In accordance  
2 with the original permit, not modified.

3 CHAIR DEBORAH WOOLLEY: It says, shall  
4 be constructed, and therefore, operated or maintained  
5 across, along or in.

6 MS. KAREN RYLANT: And we have that  
7 jurisdiction regardless of land rights. So I think  
8 that addresses what Mr. Jones was asking, whether  
9 it's private property, private property encumbered by  
10 flowage easement or on TVA land, we have the same TVA  
11 jurisdiction, Section 26 jurisdiction, regardless of  
12 the land rights in that location because we're really  
13 looking at that facility as an obstruction to the  
14 flow of water.

15 DFO BRUCE SCHOFIELD: Thank you. Bob.

16 MR. BOB MARTINEAU: I was just going  
17 to sort of raise a question. We have heard a couple  
18 of folks say that they don't want the ratepayers to  
19 pick up the tab for this part of the program, and at  
20 the same time also folks don't want some sort of  
21 ongoing renewal fee or anything, they want to capture  
22 it one time in the construction permit.

23 The regs say we're supposed to cover  
24 all the costs of compliance and inspections and  
25 things like that. We heard yesterday that we know

1 there's serious problems with inspections and stuff  
2 because most -- when you do do a transfer, most of  
3 the time it isn't actually a transfer because  
4 something has already changed. So that suggests  
5 people have been making a lot of changes.

6           So I just want to pose a question for  
7 discussion, if you don't want an operating sort of  
8 renewal fee to cover those sort of ongoing compliance  
9 costs, how do you -- you know, how do you capture all  
10 of those future costs in the initial application fee  
11 if you want to make sure that the ratepayers aren't  
12 subsidizing it because you're going to have to  
13 amortize that 20 year, 30 year, 50 year obligation to  
14 inspect and maintain those facilities in that  
15 up-front charge, which suggests that that becomes a  
16 much even more expensive charge than just what you're  
17 doing now is trying to estimate the administrative  
18 costs of actually processing that application because  
19 you have got two different themes going on here. We  
20 don't want to pass it on to the ratepayers, but  
21 there's a lot of people saying they don't want to pay  
22 for those ongoing costs later.

23           DFO BRUCE SCHOFIELD: Phil.

24           MR. PHIL HAZLE: A well maintained  
25 dock does not cost the TVA anything, if the land

1 owner is taking care of their permitted dock.

2 Where you run into a problem is where  
3 the dock is falling apart, floating down the river,  
4 things like that, and that might be an issue where  
5 the TVA could come into that land owner and say,  
6 look, you know, you're putting 2 X 6's out here in  
7 barge traffic and you need to do something.

8 A well maintained dock, somebody that  
9 gets a permit and is within the guidelines, is not  
10 costing TVA anything. So TVA is not out anything,  
11 you know, and they have got their money for the  
12 permit.

13 CHAIR DEBORAH WOOLLEY: I am  
14 interrupting because I just have a quick question.  
15 When you get a 26(a) permit, it's to build a dock or  
16 a structure or construct, what is in that permit that  
17 has to do with maintenance and operation?

18 DFO BRUCE SCHOFIELD: And you will  
19 need a mic, Karen.

20 MS. KAREN RYLANT: Every permit is  
21 issued with both standard and general conditions  
22 about really the conditions the applicant needs to  
23 follow in the construction, and they provide that you  
24 can maintain that facility as constructed.

25 I mean, there's not really details.

1 You know, you can't expand it or you can't enlarge  
2 your facility or make any modifications to it without  
3 coming back to TVA for approval.

4 CHAIR DEBORAH WOOLLEY: And nothing  
5 with operation? I am reading the words out of 26(a)  
6 and that's what it talks about, construction,  
7 maintenance, and operation.

8 MS. KAREN RYLANT: Right. There's no  
9 details about the operation of the facility.

10 CHAIR DEBORAH WOOLLEY: So it's  
11 really -- it truly is more of a construction permit.

12 MS. KAREN RYLANT: We're authorizing  
13 you to operate or use that facility by giving you the  
14 construction permit.

15 DFO BRUCE SCHOFIELD: Mitch is next.

16 MR. MITCH JONES: One can say that you  
17 carried right into -- Phil carried right into a  
18 really good point. Let's see if I can make it a  
19 short-term.

20 On July 4th we had five deaths in the  
21 southeast from electrocution on the water, two of  
22 which were on Cherokee, two of which were in  
23 Missouri, one in Florida. All five cases were  
24 private either boats or dock houses that  
25 electrocuted these -- they were all kids.

1           The two on Cherokee, the newspaper  
2 here in Knoxville wanted to point their finger at the  
3 marina. You folks can remember that incident. In  
4 fact, the problem was from a boat owner. However,  
5 the marina did have some inspection problems and they  
6 closed the marina until such time as those  
7 inspections were solved.

8           The two in Missouri were from a  
9 private dock, a homeowner, that did not construct it  
10 properly. Two kids flopped off into the water with a  
11 ground fault. They were 10 feet within the ladder.  
12 They went over to grab the ladder.

13           The one in Florida was a similar case  
14 on an intercoastal just outside of Tampa. The dock  
15 owner had just completed the construction of the dock  
16 and had a 32 Intrepid that had shore power plugged  
17 into it and he didn't ground fault the shore power  
18 when he built it.

19           So we had five deaths, all  
20 electrocution, all in the same day on Wednesday, the  
21 4th of July.

22           Now, the point I want to make is that  
23 the State of Tennessee is now adopting a policy where  
24 they are going to do safety inspections inside  
25 commercial marinas beginning probably next year, and

1 we're writing the policy as an organization to help  
2 the state come up with this.

3 Now, how does that affect homeowners?

4 One way that the TVA could guarantee  
5 that they are not delapidated or a problem is a --  
6 without increasing manpower if there was a way to do  
7 safety inspections or the inspections of these docks  
8 as we're traveling the waterways or as these 29 staff  
9 members are out and about on the waterway, maybe at  
10 that point you raise some funds by forcing folks to  
11 keep their docks in good shape. It could be  
12 difficult, but it can be done and should be done in  
13 some way.

14 DFO BRUCE SCHOFIELD: Mark.

15 MR. MARK IVERSON: I'm just curious.  
16 When we have had a change of ownership and we find  
17 the application isn't just a change in ownership, it  
18 turns into a new construction because there's a piece  
19 of noncompliance, is there general broad categories  
20 of what that is?

21 Is it boat docks that have been  
22 expanded on?

23 Is it stairs that have been added to?

24 What are the noncompliance pieces?

25 DFO BRUCE SCHOFIELD: It's those and

1 adding swim platforms, adding jet ski ramps, just  
2 building -- and they could just build it outside the  
3 footprint because depending on where you are there is  
4 a certain footprint for square footage of dock space  
5 that you can have to go do that.

6 So it's across the board. It's  
7 putting second story roofs on or enclosing a second  
8 story and making it an apartment is not allowed.  
9 They run the gamut. There is a permit that says,  
10 this is what you're required to build, and we go out  
11 to look to see if it's --

12 MR. MARK IVERSON: A water structure,  
13 related to water items, docks or --

14 DFO BRUCE SCHOFIELD: Or if it's got  
15 some permitted land. If it's got a gazebo that's  
16 permitted to go with that that's in the floodplain or  
17 inside the flowage area there, we will look at those  
18 too, whether it's land or dock base. If it's on the  
19 permit that's what we go look at to determine whether  
20 everything is still in compliance with that permit.

21 MR. W. C. NELSON: Bruce.

22 DFO BRUCE SCHOFIELD: Jean first and  
23 then W. C.

24 MRS. JEAN ELMORE: Just a question.  
25 Would it be -- if you could speed up the time it

1 takes in issuing a permit, would that not in turn  
2 lower the costs and time spent, hours spent?

3 There's always a lot of complaint  
4 about how long it takes to get a permit. Could that  
5 be speeded up? You know, I don't know.

6 DFO BRUCE SCHOFIELD: Do you want to  
7 look at the flow chart?

8 But yes, the short answer to that is  
9 yes, and we are looking continually for efficiencies  
10 in the way we do the process, you know, to cut down  
11 time, travel, et cetera, to go do that. So we're  
12 looking at that, but we haven't -- I mean, even  
13 though we built efficiencies in, we haven't made  
14 adjustments to this particular fee in 14 years.

15 MRS. JEAN ELMORE: And it needs it.

16 MR. W. C. NELSON: Just one comment on  
17 Mitch's inspection. You would have to change the  
18 people you have in the division. I mean, I don't  
19 think you have anyone qualified to inspect boat docks  
20 as far as the electrical. So you're getting into a  
21 field there that could be dangerous.

22 MR. MITCH JONES: True.

23 MR. W. C. NELSON: And as far as  
24 26(a), the ones I have applied for out of the Murphy  
25 office, they are very efficient. I mean, it's --

1 they do an excellent job.

2 MR. MITCH JONES: Deborah and I were  
3 talking last night on the change of ownership, Bruce.  
4 Is there a way to go through the HUD statement and  
5 ensure that you collect your fee for the change of  
6 ownership at the time of the change of ownership?

7 Did I say that right?

8 Is there a way for you in the seven  
9 state area to have part of the HUD statement reflect  
10 a collection in escrow of that 100 or \$200 fee in the  
11 change of ownership?

12 My belief is, I could be wrong, Karen  
13 spoke about this yesterday, not all of the time is it  
14 a case of I buy a home with a dock and the only way  
15 that you find out about it is if I am going to make a  
16 change. My belief is changes are being done without  
17 you knowing.

18 DFO BRUCE SCHOFIELD: Yeah. And we  
19 have looked at that in the past, and we are still  
20 looking to go do that, but it is not as simple as  
21 putting a 200 or a 300 or a \$500 fee in the HUD  
22 statement because what that's doing — and it's that  
23 risk.

24 You go buy that house, you pay the 500  
25 bucks, you close and it's not in compliance and it's

1 a \$10,000 modification to get it back into compliance  
2 or to get it permitted because it becomes a new  
3 permit, the buyer is then at risk when they go do  
4 that.

5 We have gotten great resistance from  
6 builders, real estate agents, et cetera, to go down  
7 that path because most of the time when you go buy a  
8 piece of property on the water you believe that  
9 you're buying everything, including that boat dock.

10 A lot of people come in and don't  
11 realize that's a permit transfer. If that permit  
12 transfer comes across and it is not in compliance  
13 with the permit, whoever owns it at the time we find  
14 out about it is the one that's required to bring it  
15 into compliance or we take action to bring it into  
16 compliance.

17 So it's -- yeah, that's a good idea.  
18 We have looked at that. We ran into difficulties in  
19 doing that in the past, but it's a good suggestion.

20 Thank you.

21 CHAIR DEBORAH WOOLLEY: It needs to go  
22 up there. I think too whether it's a HUD statement  
23 with the amount attached it to or whether it's just a  
24 truth in purchasing. I mean, heaven forbid, I sell a  
25 house, commercial or otherwise, I've got to tell you

1 whether somebody has died there, I've got to tell you  
2 whether it's had ghosts there. I should be able to  
3 tell you whether there's an outstanding federal  
4 permit there.

5 That really just is an awareness. You  
6 know, the people selling may not want me to know  
7 that, but I think that on the other hand buyers would  
8 like to have that information and disclosure when  
9 it's time to do it. To me it's just irresponsible  
10 not to.

11 I mean, we're talking about a federal  
12 permit here, folks. We're not talking about, you  
13 know, some little mild thing, and as a purchaser  
14 somebody should be disclosing to me the terms of that  
15 permit.

16 DFO BRUCE SCHOFIELD: Karl.

17 MR. KARL DUDLEY: Talking about the  
18 signage yesterday, couldn't we say in just a small  
19 statement adjacent to some of the lake property, I am  
20 thinking about Pickwick in particular, this area may  
21 be subject to a 26(a) transfer, please check with TVA  
22 or something so someone that comes in that area and  
23 is looking to buy those properties would see that  
24 sign if it's at all the various places, you know, the  
25 boat ramps, all that kind of thing. It just seems

1 like there should be some notification, you know,  
2 that says, oh, what are they talking about?

3 DFO BRUCE SCHOFIELD: You had it up.

4 MR. MITCH JONES: Bruce, Deborah,  
5 what's the difference in a disclosure for water  
6 damage, fire damage, foundational problems to the  
7 house and the truth and lending, if you will, act,  
8 whatever that is, what's the difference in that,  
9 Bruce, than saying you have to transfer a permittable  
10 structure as part of the closing transaction?

11 And if it's out of bounds or out of  
12 compliance, it's no different than if I have to fix  
13 the foundation if I am selling the house or have an  
14 exorcism performed on a ghost, whatever it is, it's  
15 similar.

16 Where am I wrong?

17 DFO BRUCE SCHOFIELD: I didn't say you  
18 were wrong. I don't disagree that's the place to put  
19 it. We have run into difficulties in the past  
20 getting that process in place. We're taking the  
21 suggestion, but, you know, I will be glad to consider  
22 it.

23 MR. MITCH JONES: We're just trying to  
24 help.

25 DFO BRUCE SCHOFIELD: I understand. I

1 understand. I could use it, trust me.

2 Deb.

3 CHAIR DEBORAH WOOLLEY: When you issue  
4 a permit for construction at the — and it's good for  
5 what you say, 18 months, at the end of the  
6 construction, is it inspected to see that it was  
7 built in accordance with the permit, is the first  
8 question?

9 MS. KAREN RYLANT: No, we don't go out  
10 and do an inspection at the end of construction.

11 CHAIR DEBORAH WOOLLEY: So it's really  
12 kind of a trust me?

13 DFO BRUCE SCHOFIELD: We do compliance  
14 later.

15 CHAIR DEBORAH WOOLLEY: But that's if  
16 you do.

17 DFO BRUCE SCHOFIELD: I understand.

18 CHAIR DEBORAH WOOLLEY: I think,  
19 Bruce, where we're trying to go is how the program  
20 can be improved, not what we're doing now.

21 DFO BRUCE SCHOFIELD: I understand.

22 CHAIR DEBORAH WOOLLEY: I mean, if  
23 everything were to stay the same, the way it is now,  
24 you know, I have got concerns about that because I  
25 think TVA is leaving money on the table. I think TVA

1 is leaving some of it's responsibility on the table  
2 in how this stuff is maintained and what is done.

3 You have got your permit holders names  
4 and you have got their addresses, and it seems like  
5 at the very minimum as a part of the compliance,  
6 there needs to be some type of ongoing, not every  
7 year necessarily, but every two or three years  
8 communication to those permit holders that they have  
9 the permit, their responsibilities in maintenance,  
10 their responsibilities in getting that to TVA.

11 If not, I don't know what your  
12 recourse is, revoking the permits they have, I don't  
13 know, but somewhere to just hand somebody a permit  
14 and say, I like your building plans, go build them,  
15 trust that they build them that way, trust that they  
16 maintain it, trust that they never change it, and you  
17 get all of that for -- if we raise it to \$500, that's  
18 probably about best deal in the Valley.

19 DFO BRUCE SCHOFIELD: Renee.

20 MS. RENEE HOYOS: Yeah. I am still  
21 kind of confused as to what we're permitting because  
22 in the language it says the use or the value of an  
23 object to a person.

24 If it's a construction permit, the  
25 MPDS construction permit requires a notice of

1 termination so that you are notifying the permitting  
2 agency that you have completed the work and then that  
3 can either trigger a compliance inspection to make  
4 sure they have met up with it.

5 Now, that would probably take some  
6 extra staff, but it might be something to consider  
7 because you would then know that if additions were  
8 made that weren't part of the original plans you  
9 would know then, you would know earlier, and that  
10 might help out a future landowner who might have  
11 bought something that while, you know, you had been  
12 given a plan but actually what got built -- and we  
13 see this a lot in the stormwater issues, what's on  
14 the paper is not necessarily matching to what is  
15 actually on the ground.

16 Of course, once it's built there's not  
17 a whole lot you can do about it, but at least you  
18 will know that that person was the one that made the  
19 changes and not necessarily penalizing the next  
20 purchaser. That's just one suggestion.

21 DFO BRUCE SCHOFIELD: Thank you. Do  
22 we want to walk through -- there's no tents up. So  
23 do we want to walk through the flow process to look  
24 at that and then determine whether there's some  
25 additional comments on this particular question and

1 we will move to the next?

2 MS. KAREN RYLANT: These are all  
3 really good comments, and I know Mr. Schofield and  
4 everyone here appreciates them.

5 Compliance, we have had a lot of talk,  
6 before I go through the process, about compliance and  
7 transfers, and that is really an issue we all think  
8 about. I appreciate those comments, Renee, about  
9 doing a compliance inspection after it's finished.

10 Keep in mind, some of these permits  
11 may be held by an individual for 20 years if they own  
12 that property. You know, we have set our 10 percent  
13 compliance checks and we do semi-annual or sometimes  
14 annual shoreline inspections.

15 An owner has numerous opportunities to  
16 make modifications to that facility over the time  
17 they own it, and the only real effective way we have  
18 of knowing that modification has been made is when we  
19 receive an application or through a shoreline  
20 inspection or annual kind of activities.

21 It's a problem we think about a lot.  
22 I mean, it's 11,000 miles of shoreline, a huge  
23 reservoir. It's hard to have, you know, our eyes out  
24 along the entire landscape.

25 The process is actually about a nine

1 or ten page flow chart. I don't know if that was an  
2 intentional cough or not. I don't want to go through  
3 every page today. I just want to give you a sense of  
4 what happens to an application when it comes in the  
5 door.

6 Now, the first page, which is up on  
7 this screen. I'm not sure if y'all can see this or  
8 not. This is amazing, my wireless mouse works from  
9 up here. So it's incredible.

10 This is called the macro process. So  
11 it's the broad overview of the key processes that an  
12 application will go through.

13 Across the top of the page are the  
14 different groups or individuals that an application  
15 may be passed to in the review -- in the review of  
16 that application starting with the customer on the  
17 left. We actually have regional offices today, not  
18 watershed teams anymore.

19 The project lead is the primary staff  
20 member in charge of processing that application and  
21 finalizing the permit. Sometimes team managers get  
22 involved, the regional managers.

23 A subject matter expert is typically  
24 the person that we would coordinate with on key  
25 areas, whether it be resource environmental or policy

1 issues. Sometimes if we have a large project, it  
2 will actually be managed by a project management  
3 individual. So that's the person on the right.

4 So that's what's across on the right,  
5 how the process moves across left to right, and then  
6 it just follows down these key processes.

7 If you're not familiar with flow  
8 charts, the boxes are a process, the diamonds  
9 represent a question, and then you just kind of move  
10 through and work your way through the process.

11 So we start in the upper left where  
12 the application comes into one of the eight regional  
13 offices. You move over it's -- there's some  
14 administration that works in the office with the  
15 staff entering the application, putting it in our  
16 electronic system, making sure it's complete, that  
17 the application fee is included, all of those type of  
18 kind of standard, you know, administrative  
19 activities.

20 Then we move down after you have  
21 looked at whether you have a complete application.  
22 If you don't, of course, there's a lot of off ramps  
23 and loops and questions and talking to the customer  
24 if something has been missing, going back and forth  
25 with them.

1                   At this point we might actually look  
2 through our files to see if there's any V&E's at this  
3 site, existing V&E's, which is a violation or an  
4 encroachment, to see that we need to get in touch  
5 with the customer about that. We look to make sure  
6 they don't have any delinquent fees with TVA, just  
7 looking over several things at this stage.

8                   It's probably assigned to a project  
9 lead or a program manager, who really the program  
10 manager is the first person that touches it after  
11 what we call the business service representative.

12                   They will actually confirm that the  
13 applicant has land rights where we're looking at, you  
14 know, if there's -- the land plan to ensure it's  
15 zoned properly for the use, the rights that TVA may  
16 have sold in the past, that there is actually -- if  
17 it's a private residential dock that there are  
18 existing land rights for that use.

19                   So all of that kind of analysis is  
20 going up front before we initiate any review. We  
21 don't want to expand money on environmental reviews  
22 or programmatic reviews or contacting experts to see  
23 if they can even construct that facility before we  
24 know if they have the right to construct it at that  
25 location.

1                   So you could end up actually -- you  
2 know, either the applicant could choose to withdraw  
3 their application if we determine they can't have  
4 that facility at that location. If they want to  
5 challenge that decision they might proceed with it  
6 and we would deny that application, and they are  
7 granted appeal rights, kind of an off ramp to the  
8 application, and they can appeal that decision  
9 through that process.

10                   So if you get past that kind of  
11 initial stage and it's not denied, we move on to the  
12 next process up there, cost recovery, and that's  
13 where we ask ourselves kind of what I talked about  
14 yesterday, is it a standard application or a  
15 non-standard application?

16                   Now, if I scroll down a little you  
17 will see these blue circles talking about category  
18 one or two or category three, that's some additional  
19 kind of internal language we have for these types of  
20 applications.

21                   Category 3's non-standard. They are  
22 the large projects. Category 1 and 2's are the  
23 smaller minor construction standard projects.

24                   So if we look at the application and  
25 we determine based on the type of facility that it's

1 a non-standard or Category 3 application, you go into  
2 the cost recovery process. I didn't explain a lot of  
3 these details yesterday, but this actually involves  
4 an agreement between TVA and the applicant that they  
5 agree to pay all costs associated with the review of  
6 the application, including any detailed environmental  
7 studies that we may -- that may have to be  
8 undertaken.

9 We give them an estimate. It is just  
10 a ballpark estimate based on our understanding at  
11 that time. It could change. They have to sign that  
12 letter agreement before we proceed. If they won't  
13 sign, we don't proceed with that review of the  
14 Category 3 or non-standard application.

15 Now, if you're a residential boat  
16 dock, you know, you'd bypass that process and we move  
17 on to what we call the pre-coordination of the  
18 application. You have kind of gotten past all of  
19 your initial, yeah, it's a facility we can consider.  
20 It's not a, you know, 4,000 square foot residential  
21 dock. It's reasonable size. You have land rights.  
22 As far as we know, no V&E's or violations in our  
23 files. You don't have delinquent fees. You have  
24 kind of gotten past all of those initial questions we  
25 asked before we start.

1           This is called pre-coordination. This  
2 is where you go to field. We start those things that  
3 were on that slide yesterday, those eight or nine  
4 types of things we do for each application at this  
5 level.

6           We do our field inspection. We get a  
7 more definite determination about the category and  
8 type of action and look at the facility to see if we  
9 need any type of modifications and we start our  
10 coordinations.

11           Now, sometimes you will see below that  
12 we will ask -- there's a diamond where we ask -- it  
13 says EA or EIS, that has to do with NEPA, the  
14 National Environmental Policy Act, and our types of  
15 reviews. An EA is in Environmental Assessment. An  
16 EIS is an Environmental Impact Statement.

17           These conflict. Sometimes we know  
18 right away. EA's and EIS's are a higher level of  
19 environmental reviews. Our other alternative is when  
20 it's a low level review we can close it with a  
21 categorical exclusion. It does not require a lot of  
22 in-depth study.

23           Sometimes if we know we're going to  
24 need detailed environmental studies at the beginning  
25 of a project, that's another off ramp where we move

1 over and we involve specialists. We involve our NEPA  
2 experts and our resource specialists to initiate  
3 those types of reviews. Those are typically larger  
4 projects or in areas with sensitive resources.

5 So if you know up front it -- that can  
6 happen later too in an application where we find out  
7 that there's an impact and we need to do a higher  
8 level of review, but sometimes, as I said, we do know  
9 up front. That's another kind of off ramp.

10 If you don't think at that point that  
11 you're going to have to do a detailed study and you  
12 can close it with a categorical exclusion, then you  
13 move on to coordinate reviews. This is kind of where  
14 all the nitty gritty of the application occurs.

15 If you recall yesterday, I talked  
16 about a series of questions that the project lead  
17 looks at to determine the potential impact to  
18 resources. If they need to, they have flow charts  
19 telling them which types of applications they have to  
20 coordinate with policy to determine if it's something  
21 TVA can consider, and they start initiating all of  
22 those coordinations.

23 So this is another place where a lot  
24 of additional people kind of put their hands on the  
25 application, start looking at it. If it's a more

1 complicated facility, it's where I might begin to  
2 look at it to see if it's something TVA can consider.  
3 If it involves a violation, that's where we really  
4 start to look and see how it needs to be modified or  
5 how we can correct that violation because TVA will  
6 not proceed with a new permit until all of the  
7 violations at that location have been resolved.

8           This is also -- you move over to where  
9 it says specialists and outside agencies. In  
10 addition to our internal review, if there's any need  
11 for an environmental review, if it's necessary to  
12 coordinate with other agencies, this is the point  
13 where that would happen.

14           So after you get all of those answers  
15 and, you know, the project lead is coordinating all  
16 of that with these specialists, they get all of their  
17 answers and reports back, they see if there's any  
18 impacts, if it requires any type of modification.

19           You know, if there's wetlands in the  
20 area and it's a simple dock, maybe the wetland  
21 specialist requires that we avoid that wetland, that  
22 we have to extend out a little further or move the  
23 location to a different spot on the shoreline.

24           So the project lead is pulling all of  
25 that together getting -- you know, to make sure

1 there's no road blocks really that keeps TVA from  
2 issuing that permit.

3           Then we come down finally to the grant  
4 permit where you ask yourself, you know, have we  
5 checked all of our boxes, done everything we need,  
6 can TVA proceed to grant this permit? If the project  
7 lead determines yes, then that permit is generated  
8 within the system.

9           It includes just a cover page, along  
10 with all the approved plans, location maps, general  
11 and standard conditions the applicant is required to  
12 follow, and usually a vegetation management plan  
13 also.

14           Then you -- at that point you're  
15 getting ready to -- if it was a Category 3 or a  
16 non-standard application, the collect fees just means  
17 that you, you know, verify you have collected and  
18 that the applicant's paid all of their invoices and  
19 you can proceed with issuing that permit. Then  
20 finally they sign the permit and send it out to the  
21 applicant.

22           Now, that's kind of a broad high level  
23 approach to what happens to a permit when it comes in  
24 the door. There's a much more detailed step-by-step  
25 process that we work through. I don't think we want

1 all of that detail today, but if you have any  
2 questions I will be happy to address them.

3 DFO BRUCE SCHOFIELD: Deb.

4 CHAIR DEBORAH WOOLLEY: Do you have  
5 the target time frame for permit issuance, and I know  
6 it can be different for different types, or do you  
7 track average time frames? How long does it take?  
8 What should --

9 MS. KAREN RYLANT: Yes to both of  
10 those. We have a target cycle time we call it. For  
11 standard applications it's 45 days. Non-standard is  
12 90. We do keep track of our processing time, our  
13 cycle time on all permits and run monthly reports on  
14 those.

15 If you'll recall yesterday, I think I  
16 said we think about ten hours is the average staff  
17 time or actual working time working on a permit, but  
18 it does take a full average. I think our cycle time  
19 for this year, average for standard was about 60  
20 days.

21 There's a lot of coordination. Every  
22 time you coordinate with someone, they have a week or  
23 two to work on it. Sometimes they have to get to the  
24 field also.

25 DFO BRUCE SCHOFIELD: Jack.

1 MR. JACK SIMMONS: Karen, just out of  
2 curiosity, that's a very detailed process obviously  
3 and there's a lot of people involved.

4 I am just wondering, on the Cumberland  
5 River, how does the Corps handle the simple process?

6 Is it closely or do you-all model it  
7 after them or do y'all collaborate on this?

8 I'm thinking like at the  
9 Kentucky/Barkley Reservoir, you know, they are  
10 connected by the canal down there at the end. So  
11 you've got homeowners that potentially could be under  
12 the purview of the Corps for a permit on one -- the  
13 same shoreline and somebody else on TVA.

14 Is there consistency or inconsistency?

15 Does the Corps recover their costs?

16 Does it cost the same or similar to  
17 what you-all are seeing it costs?

18 I'm just curious of how that works.

19 MS. KAREN RYLANT: You know, we talked  
20 a little bit about that yesterday. I can't speak in  
21 detail to the Corps' processes. My understanding is  
22 they do not recover their costs. They charge a very  
23 small application fee.

24 We do cooperate very closely with the  
25 Corps. We have a joint permitting application system

1 where we have overlapping jurisdiction. You have the  
2 same application form. We talk back and forth with  
3 the Corps' offices where we're working on the same  
4 facility.

5 If we get the permit first we -- the  
6 application, we send that application up to the Corps  
7 and vice versa. We're communicating with them.  
8 Their process I can't speak to as far as how they --  
9 the cost recovery and if it follows this type of  
10 flow, but we work very closely with the Corps.

11 MR. JACK SIMMONS: And I asked all of  
12 that really because there's a lot of suggestions,  
13 good suggestions that I have heard this morning, and  
14 maybe some type of cross collaboration there could  
15 give you and the Corps some ideas on things that they  
16 have learned and had to deal with in trying to solve  
17 the same type of problems you're looking at here  
18 today.

19 MS. KAREN RYLANT: That's a good  
20 suggestion.

21 DFO BRUCE SCHOFIELD: Avis.

22 MS. AVIS KENNEDY: I can tell you a  
23 little bit about -- this was one of the programs that  
24 I worked in for many years.

25 The way the permits are categorized by

1 TVA and the Corps don't line up exactly. What TVA is  
2 issuing under the 26(a) authority, some of those  
3 things, like individual docks and moorings, are  
4 issued under something called the shoreline use  
5 permit program by the Corps.

6 Some of the things they refer to, like  
7 steps and sidewalks, also waterlines and electric  
8 lines to the docks, are actually issued as real  
9 estate licenses.

10 And then things like retaining walls  
11 and erosion protection are issued strictly as  
12 regulatory permits under Section 10, Rivers and  
13 Harbors Act, and Section 404 of the Clean Water Act.  
14 So they don't line up exactly.

15 The docks, I think, are the main thing  
16 people are talking about, and the Corps issues those  
17 for -- a five-year permit is \$30, and that's been the  
18 fee since the program was put into place in 1973.

19 There is no requirement for the Corps  
20 to recover its costs from the program. The permits  
21 expire every five years, and the applicants must  
22 re-apply and their dock is inspected every five  
23 years.

24 When a new dock is completed and a  
25 final inspection takes place, they put a metal tag

1 like a license tag with a number on it on the dock so  
2 that anyone patrolling on the lake can find out, you  
3 know, whose dock it is and whether its permit is up  
4 to date or not.

5 New property owners have to re-apply  
6 for a new permit for the existing dock, but, you  
7 know, \$30. That's just kind of a basic outline.

8 DFO BRUCE SCHOFIELD: Mitch.

9 MR. MITCH JONES: Karen, nice job.  
10 It's pretty deep. I want to talk just a minute about  
11 the standard for a moment. You said 45 days.

12 How much of this burden can we put  
13 back on the applicant to shorten or to make it more  
14 efficient?

15 It is terribly inefficient as it is  
16 today for you to be the required -- for you to be  
17 responsible -- TVA to be responsible to determine  
18 land rights.

19 I would say to you that if I am the  
20 property owner and I come to you to build a new dock,  
21 which I believe over the next five years is going to  
22 be a little smaller because we don't have a lot of  
23 homes or properties selling along the lakes these  
24 days, it appears to me that the property owner  
25 should come -- you should hand them a checklist and

1 say, you provide me these five things, drawings,  
2 specifications, building materials, which are usually  
3 done by the contractor that's building the dock.  
4 He's going to hand the property owner, here's what I  
5 am going to make your dock out of, this is how I'm  
6 going to build it, this is the time frame in which I  
7 am going to build it in, and then the property owner  
8 should bring to you by definition property rights. I  
9 have property rights to do this.

10 What else can that property owner do  
11 for you to shorten or to make -- the timing of 45  
12 days, that's okay. But from an efficiency  
13 perspective if you tell me you've got 19 pages to get  
14 something done, I am like let me -- how can we make  
15 that better?

16 MS. KAREN RYLANT: I say this all the  
17 time. The best way to get your permit fast is to  
18 give us a complete application. The minute, you  
19 know -- and we have requirements. A lot of that we  
20 already do.

21 And let me -- first let me clarify one  
22 thing. When I mentioned land rights, I'm not talking  
23 about confirming they own their private property. I  
24 am talking about TVA's land rights, that we are  
25 looking at our plans to make sure -- let's keep it as

1 residential, that it's Zone 7 for shoreline access.

2 If it's not, if it's not in the  
3 current plan, do they have the necessary access  
4 rights in accordance with your regulations in order  
5 to have a private residential dock, and that's what  
6 we're confirming, you know, from our perspective.

7 We trust when someone comes to us and  
8 says that I own that property, we don't confirm  
9 whether they do or do not own that property.

10 MR. MITCH JONES: They don't provide  
11 you a copy of the deed?

12 MS. KAREN RYLANT: Of the private  
13 deed. Now, sometimes we -- now, the tax records are  
14 just about all on line now.

15 MR. MITCH JONES: That's what you --  
16 but you're having to go do something. They should  
17 bring you everything that you need.

18 MS. KAREN RYLANT: They bring it and  
19 they say, you know, I own this property and I am  
20 applying for a dock at this location, we usually have  
21 a pretty good indication if -- we have already issued  
22 many permits in that subdivision and are familiar  
23 with the subdivision. Tax records are on-line. It  
24 takes a minute at most to verify ownership.

25 That's not a process really though.

1 It's not a step in our process to verify they own  
2 that property. So I wasn't talking about those land  
3 rights.

4 They do have to bring the regulations,  
5 lists, what they are required to submit with their  
6 application. They must submit proper plans with all  
7 the dimensions. They have to submit --

8 MR. MITCH JONES: A list of material?

9 MS. KAREN RYLANT: Uh-huh. Their  
10 application fee, photos. There's a few other minor  
11 things they need to bring.

12 But sometimes, you know, the plans  
13 aren't quite adequate or we discover they need to be  
14 modified, and then we have to go back to the  
15 applicant get them to modify those plans and that's  
16 when that back and forth really slows down how long  
17 it takes to get a permit out the door.

18 If two weeks down the road in the  
19 coordination part of the review we determine there's  
20 a problem with that location, again, it has to be  
21 modified. Anytime you have to go back, you know,  
22 there's always that delay in getting what you need.

23 MR. MITCH JONES: How do I -- how do I  
24 as a homeowner get it right the first time?

25 MS. KAREN RYLANT: You come in and

1 talk to us first. You go to our web site and there's  
2 clear information about what to submit there and  
3 what's required. You can call any of the regional  
4 offices and they will give you all the information  
5 you need to submit an application. A checklist, most  
6 of them have a checklist.

7 MR. MITCH JONES: Including  
8 parameters? Maybe I want to build a 9,000 square  
9 foot dock out there with six levels and a diving  
10 board.

11 MS. KAREN RYLANT: They would inform  
12 you that would likely be denied.

13 MR. MITCH JONES: How would I know  
14 what my restrictions are? Is there someplace that I  
15 can find --

16 MS. KAREN RYLANT: On the web site.  
17 Those are posted on the website.

18 MR. MITCH JONES: All right. Can I  
19 keep going?

20 MS. KAREN RYLANT: Sure.

21 MR. MITCH JONES: Okay. On the  
22 non-standard, I want to jump over there for a moment.  
23 I am going to build -- as a commercial operator I am  
24 going to build 20 slips in an existing marina,  
25 existing operation within my harbor limits, why would

1 I have to get to a FONSI?

2 MS. KAREN RYLANT: If we needed to do  
3 an EA for some reason, that's how you always get to a  
4 FONSI. I hate to use terms we haven't defined.

5 MR. MITCH JONES: Finding of no  
6 significant impact, everybody was thinking of that  
7 guy that goes --

8 DFO BRUCE SCHOFIELD: In going back to  
9 the question, is there a recommendation that we're  
10 getting through this process that we need to go --  
11 you know, because we're looking at what  
12 considerations should we give to establishing 26(a)  
13 permit application fees. We're well into the  
14 internal processes now.

15 Is there a suggestion on what we  
16 should do, what we should consider? I am trying to  
17 move us back into the question. It's good  
18 discussion, but are we getting a suggestion to go do  
19 that?

20 Let's go to the question. I think  
21 there's other questions on process right now. We're  
22 pushing an hour and a half into this one. So I am  
23 trying to figure out where we are. I am just in a  
24 process question here for a -- are we where we need  
25 to be?

1 W. C.

2 MR. W. C. NELSON: I don't think the  
3 system is broken. The only thing we really need to  
4 adjust is the -- try to recover the costs that these  
5 applications are requiring.

6 So, you know, we have not heard a lot  
7 of deficiencies. We have heard about more  
8 regulations, some more inspections, electrical  
9 inspections.

10 You know, the system is working like  
11 this is. It may not be perfect, but neither is an  
12 inspection process. So let's get the amount adjusted  
13 and go from there. I think the system is fine.

14 DFO BRUCE SCHOFIELD: Deb.

15 CHAIR DEBORAH WOOLLEY: I think the  
16 reason I phrased some of the other questions is I  
17 think there's a fundamental question here whether TVA  
18 is abdicating part of its responsibility in issuing a  
19 26(a) permit to look at the maintenance and  
20 continuous operation of the project.

21 Issuing that permit, trusting that  
22 it's built in compliance, hoping somebody floats down  
23 the river and looks at it, I don't think that really  
24 says you're taking your full responsibility that that  
25 dock is maintained the way it should be, that it's

1 not expanded beyond what it should be, and that the  
2 legal rights are there.

3 I think the system as it is right now  
4 does work for what you're doing with it. The  
5 question to me is whether what you're doing with it  
6 is what you should be doing.

7 And then in doing that, are you  
8 leaving some responsibility on the table and, quite  
9 frankly, are you leaving some money on the table that  
10 you would collect if you went the further route?

11 That's why I'm raising the question on  
12 it.

13 DFO BRUCE SCHOFIELD: And have we  
14 captured that in the comments?

15 MS. ERIKA WADL: I wasn't sure. Do  
16 you want me to start at the top?

17 DFO BRUCE SCHOFIELD: Well, first  
18 let's do Tom.

19 MR. TOM LITTLEPAGE: Well, mine may be  
20 kind of tied to question two, but it's tied to what  
21 Deb just said, too. So I don't know if you want to  
22 revisit one.

23 DFO BRUCE SCHOFIELD: Figure out the  
24 evaluation may be a --

25 MR. TOM LITTLEPAGE: The point I was

1 going to make is that I think what the Board is  
2 seeing is that there is a fundamental disconnect  
3 between the concept of full cost recovery as alluded  
4 to by Karl and what Bob alluded as this amortization  
5 cost that's associated with a one-time transaction  
6 that builds in monitoring, maintenance, and  
7 compliance, and there's an inherent disconnect  
8 between those two concepts.

9 I think that's something that we can  
10 probably step back and look at this and say how best  
11 can TVA try to manage this?

12 With respect to W. C.'s comments about  
13 consideration that the process appears to be working,  
14 let's not do a wholesale turn the thing upside down  
15 and create a lot of confusion among folks, but at the  
16 same time let's recognize that these are public lands  
17 that we are giving a permanent -- there is an  
18 implication in this permit that needs to not be lost  
19 in this process.

20 DFO BRUCE SCHOFIELD: Mitch.

21 MR. MITCH JONES: Bruce, the standard  
22 process I agree works, for what it's worth. The  
23 non-standard is a mess and doesn't work.

24 DFO BRUCE SCHOFIELD: Anything else in  
25 this particular question?

1 I guess hearing none, what I would  
2 suggest is we're approaching the point in the agenda  
3 where we would be for the public listening session.  
4 So I would recommend we take -- if it's okay, a quick  
5 five- or six-minute, no-longer-than-we-have-to, break  
6 so that we can get to the -- we have at least --  
7 Beth, do we have more than --

8 MS. BETH KEEL: We just have one.

9 DFO BRUCE SCHOFIELD: We just have  
10 one. So if we could take -- let's take ten minutes  
11 and come back and we will open the listening session  
12 up. So be back at 25 till.

13 (Brief recess.)

14 DFO BRUCE SCHOFIELD: If we could take  
15 our seats, I believe we're about to assemble here.

16 So I would like to begin the public  
17 comment section. We have one individual who has  
18 signed up to address the Council. I would like to  
19 turn it over to Mr. Don Simond.

20 Don, if you could be as concise as  
21 possible that would be great.

22 MR. DON SIMOND: I think I have five  
23 minutes. Okay. Thank you on this fine morning. I  
24 am donating my time because I have some concerns.

25 I'm just a citizen. I have retired to

1 this area after researching four or five states. I  
2 am here because I am a water person. Quite honestly,  
3 I am a hard core barefoot water skier and I spend a  
4 lot of time on the water. The beauty of the area is  
5 what brought me here.

6 My concern as a citizen is I would  
7 like the Board -- to enlighten TVA of the frustration  
8 and the perception the public has that it's  
9 impossible to get a dock permit and what agency to go  
10 to to find out what the regulations are, what the  
11 land management, shoreline, recreation, and flood  
12 control, as well as the culture really is.

13 I listened yesterday and I changed my  
14 approach to why I came here because I learned a lot.  
15 I think I understand a little frustration that the  
16 Board has trying to understand just the permits and  
17 how policing the permits is adhered to.

18 I really think that the system is not  
19 completely broken, but I think it's partially broken  
20 and maybe it's a little antiquated. I think it's  
21 kind of misfortunate that when right now the economy  
22 is in a struggle that we're raising the rates, but  
23 they haven't been raised for years.

24 The communication to the public is  
25 poor. I say this because I have been trying to get

1 some things done for three years. I have been to the  
2 Lenoir City TVA office, I visited them. I had them  
3 Google a houseboat that had been sunk for two years.

4 A lady contacted me on a Sunday night  
5 and said, "Have you been to their door to tell the  
6 people that the houseboat has sunk?"

7 I said, "I don't think you go to the  
8 door in Tennessee and tell somebody they have got a  
9 problem with their dock."

10 The dock was falling apart, which  
11 became a safety hazard. That boat finally got pulled  
12 out.

13 There was another houseboat sunk right  
14 across and down river a short ways from that. That's  
15 been sunk all summer. It's against the law to tie  
16 off to a bridge. That boat was anchored and still is  
17 today anchored to a railroad bridge and is sunk.

18 The reason I say these things is  
19 because I have been to that office in Lenoir City. I  
20 have called TWRA. I have stopped a TWRA boat to ask  
21 them what they do and what they can do about it. I  
22 have met with TDEC.

23 I have filed a complaint now with the  
24 Inspector General's Office. It's been over 30 days.  
25 They are saying they are referring it back to TVA to

1 research it. I have been to TVA. I don't really  
2 need more time.

3 I contacted the WBC. The TWRA phone  
4 number and WBC's phone number was supplied to me by  
5 TVA. Everybody in these agencies passes the buck.  
6 No, it's not our responsibility. I have been to the  
7 Coast Guard. No, that's another diversion.

8 You say, well, okay, one houseboat,  
9 what's the big deal?

10 Well, I happen to live in the Valley  
11 of the spill out in Harriman on the Emory River. In  
12 our little 8-mile stretch of water, as of today, and  
13 I checked it before I came down here on Sunday to  
14 make sure that some of this was still there, that  
15 houseboat that sunk up river tied to the railroad  
16 bridge is still there.

17 There's a boat that's been floating  
18 through the Emory River area for over five months  
19 now. It's a red SeaRay. It's tied off to an island.  
20 I have tried to get that removed. I was told that if  
21 I go pull it out of there I can claim it. Well, the  
22 boat is abandoned and it's rotten. It has no motor  
23 and nobody would want it. Then I would have to send  
24 a registered letter to the owner.

25 Well, that's the kind of stuff I get

1 when I go to somebody to ask for -- to give me  
2 simplified rules and regulations so people know what  
3 to do and who to contact and what the policy is.

4 There's a wood cruiser in that same  
5 area that has been sunk for two years. I know it has  
6 two motors in it. It's rental property. The dock  
7 area looks sort of like a salvage yard.

8 When I asked about that boat they  
9 said, "Well, did you see an oil slick?"

10 I didn't see an oil slick, and I  
11 wouldn't lie about it and say I did if I didn't, but  
12 I was kind of told to contact the emergency response  
13 people. That's not what the public wants when they  
14 are trying to clean up an area and why we move here  
15 for the beauty of the area.

16 There's all kinds of boats on the  
17 water with expired registrations. In that same area  
18 where the cruiser is sunk, there is a houseboat that  
19 the eight years I have been here is still there and  
20 that registration hasn't been renewed in ten years.

21 When I contact people, well, somebody  
22 from TVA said it's like having a car in your yard and  
23 you don't buy a registration for it. Well, the state  
24 owns the water and they tell me if you're not using  
25 the boat nobody has regulations over it.

1                   What I am saying is the public looks  
2 at this and says, why do I buy a registration?

3                   If I don't use the boat and I tie it  
4 off to any shoreline, I don't have to register it and  
5 I can leave it there until it becomes an eyesore.  
6 That's what gets the public upset about what's  
7 happening on the waterways.

8                   In our area TVA has bought a lot of  
9 property. They've taken away the dock permits. The  
10 perception the public has is that it's impossible to  
11 get a dock permit.

12                   I learned a lot I said yesterday, but  
13 most of the public believes that TVA does not give  
14 out dock permits no matter what you do for  
15 permitting. That perception needs to change.

16                   I could give you more examples of  
17 campers that leave stuff out there, a camper that  
18 lived on an island for three months, but that's just  
19 taking up more of your time.

20                   Another question I have that hasn't  
21 been answered, my understanding is three associations  
22 that I am familiar with pay some sort of shoreline  
23 fee, a \$1,000 per association per year.

24                   When I went to the regional office in  
25 Lenoir City I thought I could get a copy of it.

1 Somebody told me, well, that's special over there.  
2 So I still don't know what we're paying for, but  
3 those three associations pay \$3,000 a year for  
4 something. Somebody should be able to furnish you in  
5 writing what it is as a citizen.

6 Quite honestly, I would suggest that  
7 the Board have TVA amend their rules, change what  
8 they're doing. I think a reasonable dock permit  
9 issued -- maybe a three-year permit that has to be  
10 displayed on a dock that would allow somebody to  
11 police these docks because I don't think there's any  
12 policing going on when I can't find an agency to go  
13 to to address anything.

14 I have got another area where trees  
15 are being taken down for the second time. My  
16 understanding is he paid a fine, planted a few trees,  
17 and he's doing it again. Nobody is looking at that  
18 property.

19 I think there's enough funding that  
20 TVA could give out dock permits and they would set up  
21 a separate part of the permit department with boats  
22 and people to monitor it and go up the rivers and  
23 either issue fines, pull dock permits, and then you  
24 could communicate with the public on a regular basis  
25 because they would have to apply to renew their

1 permit, their dock permit I should say, and then you  
2 could have some enforcement.

3 I don't see where there's any  
4 enforcement out there. Quite honestly, it's a safety  
5 issue. All of us have been on these waterways. I  
6 don't care if it's — I have been in Alabama. I am  
7 all over.

8 These docks that are all busted to  
9 pieces and never been looked at, why should they  
10 maintain it? They have a permit for life.

11 So if you're not going to monitor and  
12 enforce the docks because the system doesn't work,  
13 then it has to be changed. If there was surplus  
14 money, if you gave out enough dock permits and  
15 monitored it properly, you could use that to make  
16 improvements out there, unloading ramps, docks that  
17 the community has.

18 The only thing I can see that TVA  
19 addresses is campgrounds where people are parking,  
20 you know, RV trailers and tents and staying for any  
21 length of time. I could give you a lot of tent areas  
22 up and down some of the waterways that have been  
23 there for more than the seven- or ten-day permit they  
24 get, but they don't get the permit.

25 I think what the citizens are asking

1 for is equal treatment. If I have to register a  
2 boat, if I have to pay for shoreline rights, if I  
3 have to do all of these things, then somebody should  
4 monitor and see to it that the playing field is  
5 balanced out.

6 I agree with what I heard yesterday,  
7 too. These kind of costs should not be passed on to  
8 the ratepayers. The dock fees should be able to  
9 monitor this system. I have lived in nine states. I  
10 have lived on the water in almost every one of them.  
11 I have never lived in a state where you don't have to  
12 show a dock permit.

13 How do you know if somebody has a  
14 permit or doesn't have a permit?

15 The idea that when you do the land  
16 owner change or if you had to get a dock permit every  
17 three years, that would eliminate that problem. The  
18 idea on the culverts on all of these streams, I don't  
19 know if you could ever police that.

20 I would like to see the TVA be fair to  
21 everybody. I don't want to see TVA just, you know,  
22 raise rates or increase their debt cap.

23 Last but not least, I would like to  
24 see them be a good steward of the lands. I am  
25 willing to meet with anybody. I'm willing to put

1 them on my boat and show them what's happening out  
2 there.

3 That's all I'm asking for is everybody  
4 to be treated equal and you have some sort of system,  
5 rather than a random sampling, of seeing whether  
6 people are adhering to the beauty of this land and  
7 taking care of our waterways.

8 Thanks for your time. I have pictures  
9 if anybody would like to see them of some of the  
10 boats. I have furnished them to TVA before. This is  
11 nothing new. I have names of some of the people they  
12 told me to contact.

13 Like I say, I am still waiting on the  
14 Inspector General's Office. I got a call Friday. I  
15 would like him to come out and see what's going on  
16 too, but we will see what happens.

17 Thank you.

18 DFO BRUCE SCHOFIELD: Thank you. Any  
19 others, Beth?

20 MS. BETH KEEL: No.

21 DFO BRUCE SCHOFIELD: Then I guess the  
22 process now is we should move to -- if there's no  
23 other discussion on the first question, move to the  
24 second question, or do we want to review the first  
25 question and clarify it or are we going to clarify

1 all of them at the end and see which ones overlap?

2 CHAIR DEBORAH WOOLLEY: Why don't we  
3 do it at the end because we have been famous for  
4 moving responses from one question to another and  
5 repackaging?

6 DFO BRUCE SCHOFIELD: Okay. Then the  
7 second discussion question is: What consideration  
8 should TVA give to the timing of periodic  
9 re-evaluation of Section 26(a) permit application  
10 fees?

11 I think we may have already touched on  
12 this a bit in the first question, but that's the  
13 question to the Council.

14 Mark.

15 MR. MARK HOMMICH: I think there  
16 ought to be a periodic re-evaluation, whether it be,  
17 you know, three years, five years, but certainly a  
18 shorter time frame than 15 years or whatever you said  
19 it's been.

20 To come forward now with, you know,  
21 200 to 500, 150 percent increase all at one time  
22 is — you have got some problems with public  
23 perception with that, I believe, in trying to present  
24 that to the public.

25 So, you know, I think it would

1 probably be good to establish a time frame, you know,  
2 wherever you think is appropriate. You know, I would  
3 think somewhere in the three- to five-year range to  
4 re-evaluate fees.

5 DFO BRUCE SCHOFIELD: Okay. Bob.

6 MR. BOB MARTINEAU: I would just  
7 second that. I mean, 15 years obviously is way too  
8 long in terms of your operating costs. If you're  
9 supposed to be capturing your costs, you know, some  
10 three- to five-year time frame is a fair amount of  
11 time to capture how much time time-wise and what the  
12 administrative overhead costs of those are and your  
13 labor costs and stuff.

14 DFO BRUCE SCHOFIELD: Okay. Bill.

15 MR. BILL FORSYTH: I think there ought  
16 to be a periodic review of permits. One suggestion,  
17 if you picked a five-year review, then you take a  
18 certain lake and/or certain area and put it into five  
19 blocks and each block gets looked at in a year and  
20 then you go to the next block the next year. If  
21 somebody transfers a fee, maybe you prorate it to  
22 when it gets reviewed again.

23 DFO BRUCE SCHOFIELD: Deb.

24 CHAIR DEBORAH WOOLLEY: I think there  
25 should definitely be a periodic re-evaluation of the

1 fees, but I think with that has to be periodic  
2 re-evaluation of what you're doing.

3 I think most people -- I mean, there's  
4 going to be people who always complain, but there's  
5 other people that if there's a periodic  
6 re-evaluation, I mean, you can say it's the cost of  
7 living, you say it's the cost of doing business, but  
8 if they also feel like there's some value, some that  
9 they're being -- I think we just heard this from our  
10 citizen of being created -- being treated fairly,  
11 that compliance and people are being honest, then I  
12 think there's a little bit more trust and respect for  
13 the system, and therefore, periodic reviews become  
14 less of a negative nightmare.

15 DFO BRUCE SCHOFIELD: Avis.

16 MS. AVIS KENNEDY: I wondered if there  
17 were some other event that happens periodically, a  
18 review of a particular kind of plan or something at  
19 an individual lake that the fee review could be tied  
20 in with?

21 Say we do it on the same frequency  
22 that we do some other kind of review of a plan, that  
23 being five years or whatever, so that it's not  
24 setting up a totally independent schedule for  
25 reviewing the fees but actually just time-wise tying

1 that review in to some existing process that's going  
2 on on an appropriate time frame.

3 The only other comment I had is, you  
4 know, if there are political considerations about  
5 when this is done, do you want to set it for a  
6 non-election year or do you want to set it during an  
7 election year?

8 I am not sure to what extent and at  
9 what level political influence plays into, you know,  
10 the process of raising the fees.

11 DFO BRUCE SCHOFIELD: Anything else on  
12 this particular question?

13 Deb.

14 CHAIR DEBORAH WOOLLEY: I will just  
15 throw one more thing in. I think in re-evaluating  
16 the fees and communicating the results of that  
17 re-evaluation, I don't think that cost of doing  
18 business is an explanation enough.

19 I think people need to understand what  
20 they're getting for the fees in terms of cleaner  
21 water, a safer lake, of whatever it is. Treat it  
22 like a user fee, treat it like something that helps  
23 protect it for everybody because these people have a  
24 little bit more exclusive use of it. I think it's  
25 just real important.

1 DFO BRUCE SCHOFIELD: What a great  
2 segway into the third question.

3 CHAIR DEBORAH WOOLLEY: And I haven't  
4 read the third question. So I'm sorry.

5 DFO BRUCE SCHOFIELD: So anything on  
6 the second before we move to the third since we have  
7 stepped across there?

8 Mike.

9 MR. MIKE BALL: Of course, somebody  
10 said politics. One of the things -- you know, you  
11 have good policy and you have good politics. A lot  
12 of people -- a lot of people -- if you're not  
13 directly involved with a lot of people contact you  
14 get overwhelmed with the policy, and I am convinced  
15 from listening to the presentation that it's a good  
16 policy because it needs to be revenue neutral.

17 This question is about the politics of  
18 it. Ideally any -- it's really a good policy -- what  
19 you have to do is to make the policy and the politics  
20 intersect. You really have to have both of them, and  
21 there's no good way to do -- politically to do a fee  
22 increase of this amount.

23 You know, if you do it at once the --  
24 I can argue for the do it all at once, get it over  
25 with, explain why you do it, you prepare the

1 battlefield, lay the groundwork, do it all at once,  
2 and get it over with and move on.

3 An analogy I think of, in 2007 the  
4 Alabama Legislature passed itself a 63 percent pay  
5 raise and we -- and of course, over time it would --  
6 it would have been justified, but over time the -- I  
7 mean, we beat them over the head with it and it was a  
8 huge issue.

9 One of the things they had with it was  
10 a built-in cost of living. So every year there's an  
11 additional little pay raise. Both of them -- the  
12 COLA -- every year there would be a new article that  
13 would come out that they are getting a raise.

14 I mean, as bad as the 63 percent pay  
15 raise was, the creep was just as bad. And instead of  
16 letting the sore heal, it just picked the scab off.  
17 I know it's terrible, but that's an analogy.

18 Whatever you're going to do, go ahead  
19 and do it, justify it, state the case, get it over  
20 with, and move on. I mean, politically I would say  
21 do that instead of the creep.

22 DFO BRUCE SCHOFIELD: Mitch.

23 MR. MITCH JONES: You already have  
24 everybody mad at you on the commercial side. Let's  
25 just jump in there and get the residential done, too.

1 Let's just pile it right on there. I mean that in  
2 jest.

3 DFO BRUCE SCHOFIELD: Is that a  
4 consideration for a comment for the Council?

5 MR. MITCH JONES: No. I would -- I  
6 agree with our Alabama Legislative member here. You  
7 need to do this and get it done and get it over with,  
8 and then every three years evaluate it. Don't  
9 hesitate, don't stutter, go on with it.

10 DFO BRUCE SCHOFIELD: Thank you.

11 Deb.

12 CHAIR DEBORAH WOOLLEY: Back to No. 2,  
13 I think that you have to have the re-evaluation. I'm  
14 not sure I wouldn't separate any communications, any  
15 establishment of the re-evaluation a little bit away  
16 from the 100 percent increase because as soon as you  
17 say re-evaluation after three to five years, the  
18 first thing that's going to go in people's mind is  
19 the size of the increase.

20 So I think you do one, set up a little  
21 advisory committee, do something to then lead, you  
22 know, permit holders to lead to the other. I mean,  
23 Mike's right, you're not going to win on it either  
24 way.

25 DFO BRUCE SCHOFIELD: W. C.

1 MR. W. C. NELSON: I'd recommend that  
2 you look at a five-year program and adjust it with  
3 the CPI or 10 percent, whichever is less.

4 MR. MITCH JONES: There you are. Well  
5 said.

6 MS. ERIKA WADL: Can you repeat that?

7 MR. MITCH JONES: Say that again, W.C.

8 DFO BRUCE SCHOFIELD: This is in  
9 answer to 3?

10 MR. W. C. NELSON: This is 2.  
11 Periodic re-evaluation of the permit application. So  
12 I would recommend that the fees be adjusted every  
13 five years at a rate of 10 percent or the CPI,  
14 whichever is less.

15 DFO BRUCE SCHOFIELD: CPI.

16 MR. W. C. NELSON: Consumer Price  
17 Index.

18 DFO BRUCE SCHOFIELD: Whichever is  
19 greater?

20 MR. W. C. NELSON: Less. Less.  
21 Whichever is less.

22 MR. MITCH JONES: Nice try, Bruce.

23 MR. TOM LITTLEPAGE: Quick, quick mind  
24 here.

25 DFO BRUCE SCHOFIELD: You get what you

1 can.

2 MR. MARK IVERSON: They have got that  
3 as a 10 percent annual rate, that's not what you were  
4 saying, was it?

5 MR. W. C. NELSON: No. A 10 percent  
6 adjusted every five years.

7 MR. MARK IVERSON: 10 percent  
8 cumulative over that five-year period.

9 MR. W. C. NELSON: 10 percent increase  
10 every five years or the CPI, whichever is less.

11 CHAIR DEBORAH WOOLLEY: The question  
12 is whether that would keep up with actual costs.

13 MR. KARL DUDLEY: That's right.

14 CHAIR DEBORAH WOOLLEY: But it's  
15 considerably less than the 14 years.

16 MR. MITCH JONES: A 10 percent  
17 increase which is cumulative over those five years or  
18 the CPI Index, whichever is less. Don't listen to  
19 Bruce, just playing.

20 DFO BRUCE SCHOFIELD: I understand.

21 CHAIR DEBORAH WOOLLEY: I do think the  
22 question on that though is whether -- and I don't  
23 disagree with what you're saying. I just don't know  
24 if the numbers are the right numbers to ensure that  
25 you're covering costs because when I run those

1 numbers in my head --

2 MR. W. C. NELSON: The CPI should be  
3 okay.

4 CHAIR DEBORAH WOOLLEY: It should.

5 MR. W. C. NELSON: Consumer Price  
6 Index. I mean, you don't want to be going up more  
7 than the CPI because that's an average of all  
8 increases.

9 CHAIR DEBORAH WOOLLEY: I don't know.  
10 I mean, if I run those numbers and I think about in  
11 my head and I think about what we're going up after  
12 14 years, I'm not sure whether we're meeting them or  
13 not.

14 DFO BRUCE SCHOFIELD: Tom.

15 MR. TOM LITTLEPAGE: Is my  
16 understanding correct that currently there is a  
17 questionable legal authority relative to assessing a  
18 service fee and/or issuing a fine to a 26(a) holder?  
19 Is there a clear legal authority to do that?

20 DFO BRUCE SCHOFIELD: The fine -- the  
21 fee, I think, and I will defer to counsel, we have  
22 legal authority to assess the fee for the service  
23 provided. What we don't --

24 MR. TOM LITTLEPAGE: That's not  
25 necessarily the issue. I'm talking about some annual

1 maintenance, you know, something not directly  
2 associated with a construction or one-time activity.

3 DFO BRUCE SCHOFIELD: I don't believe  
4 that's prohibited.

5 MS. KELLY LOVE: I think that's  
6 correct.

7 MR. TOM LITTLEPAGE: But the idea of  
8 this -- and then the ability to issue a fine if  
9 somebody is out of compliance, is that --

10 DFO BRUCE SCHOFIELD: We don't have  
11 citation authority as it exists today.

12 MR. TOM LITTLEPAGE: So the idea that  
13 this does -- this benefit of a shorter period does  
14 help administratively with the process of the ability  
15 to enforce compliance with the permit process, and I  
16 think that's something again that -- as we alluded to  
17 before or what Bob alluded to, this process of  
18 amortizing those costs associated with an ongoing  
19 compliance assessment of these permit holders, I  
20 think that's an important component of this. So a  
21 periodic renewal fee helps in that process.

22 DFO BRUCE SCHOFIELD: Avis.

23 MS. AVIS KENNEDY: I just want to make  
24 sure that I have an understanding that the law --  
25 does the law strictly require TVA to charge a fee

1 that recovers its cost of issuing the permit?

2 DFO BRUCE SCHOFIELD: Kelly, would you  
3 like to find a mic?

4 MS. KELLY LOVE: Sure. Maybe I can  
5 talk loud enough. I will squat here.

6 The statute that governs this I would  
7 say sort of has an aspirational feel it to. Congress  
8 set the intent as being that all government agencies  
9 when offering services or things of value should  
10 recover -- make those programs self-sustaining,  
11 that's the word that's used in the statute, make  
12 those programs to provide those services and things  
13 of value self-sustaining. So it should be all  
14 federal agencies and we should make them  
15 self-sustaining.

16 It allows agencies to prescribe  
17 regulations, then setting the amount of the fees to  
18 make those programs self-sustaining. So it is not in  
19 the statute a strict requirement, per se, but it is  
20 encouraged. So TVA has taken that under advisement  
21 and promulgated regulations toward that.

22 MS. AVIS KENNEDY: So TVA's  
23 regulations then require that they use the term  
24 require that the fee charged cover the costs of  
25 issuance?

1 MS. KELLY LOVE: I would say generally  
2 yes. For certain categories of actions that TVA  
3 undertakes we have said that we will try to recover.  
4 And as Karen said, there's certain categories where  
5 we end up going into our full costs and in some it's  
6 set to an average cost.

7 MS. AVIS KENNEDY: Average cost,  
8 right. Adoption of, say, a flat percentage or tying  
9 it to Consumer Price Index, which may or may not  
10 reflect exact changes in TVA's costs, wouldn't really  
11 meet the requirement of that regulation. It might by  
12 accident meet the requirement of the regulation.

13 MS. KELLY LOVE: And we can certainly  
14 change our regulations that would be an option.

15 MS. AVIS KENNEDY: That would cover  
16 the costs, but it also might not meet that. If for  
17 some reason TVA's costs went up 15 percent in a  
18 five-year period but a policy had been adopted to  
19 limit it to a 10 percent increase in fees, then it  
20 wouldn't be covered, the costs of issuing the  
21 permits.

22 MS. KELLY LOVE: If Bruce's folks got  
23 really super duper efficient to keep those costs  
24 down.

25 DFO BRUCE SCHOFIELD: Even more

1 efficient.

2 MS. AVIS KENNEDY: It could work the  
3 other way.

4 MS. KELLY LOVE: It could.

5 MS. AVIS KENNEDY: In talking about  
6 the continuation of the program, I had one question,  
7 and this may have been stated yesterday and I missed  
8 it.

9 Does the revenue from these permit  
10 fees go directly back to the stewardship program?

11 DFO BRUCE SCHOFIELD: They do not.

12 MS. AVIS KENNEDY: Okay. Where does  
13 it go?

14 DFO BRUCE SCHOFIELD: It goes back  
15 into TVA's general fund to go do that. These fees  
16 are not earmarked to go back into the resource.

17 MS. AVIS KENNEDY: Okay.

18 DFO BRUCE SCHOFIELD: In other words,  
19 it keeps overall costs for TVA operations down. You  
20 know, indirectly it goes back and gives us some  
21 funding to put back into the resource, but they  
22 aren't specifically earmarked for the resource. That  
23 was a discussion we had through the whole NRP  
24 discussion about where those go.

25 MS. AVIS KENNEDY: Increase

1 effectiveness in collecting the fees does not  
2 necessarily -- does not then reward that part of the  
3 organization by giving them back more money?

4 DFO BRUCE SCHOFIELD: Correct.

5 MS. AVIS KENNEDY: If they are out  
6 there catching more people selling property and  
7 building docks and making them get more permits, that  
8 doesn't give them any more funding for their part of  
9 the organization?

10 DFO BRUCE SCHOFIELD: Correct.

11 CHAIR DEBORAH WOOLLEY: And I think  
12 the other thing that's missing in comparing it to  
13 Bob's permits or the private sector permits is  
14 without the capacity to charge people penalties,  
15 whatever, when they are not in compliance.

16 In most cases where I have worked with  
17 permits you increase compliance because you want to  
18 increase the revenues coming in from the people you  
19 catch that were doing what they shouldn't be doing.

20 TVA really doesn't have that  
21 incentive. You have got the incentive from what I  
22 can tell just to get them to court which, quite  
23 frankly, is probably an additional expense on you  
24 guys to prosecute it through the courts.

25 DFO BRUCE SCHOFIELD: Or make a strong

1 effort to seek voluntary compliance to go do that.

2 CHAIR DEBORAH WOOLLEY: Yeah. But  
3 generally people out of compliance with permits pay a  
4 price for doing that and that money flows back into  
5 the program also, and that's a disadvantage you don't  
6 have compared to other permitting — some other  
7 permitting agencies.

8 DFO BRUCE SCHOFIELD: Moving on. Any  
9 other discussion to question 3, again, which is:  
10 What tools or methods would be most effective in  
11 communicating a Section 26(a) fee increase to the  
12 public in order to convey its necessity and  
13 appropriateness?

14 Deb.

15 CHAIR DEBORAH WOOLLEY: This is  
16 picking off what we just heard in the public comment  
17 section. I know in sitting through all of these  
18 meetings we always talk about the need to educate,  
19 the need to communicate, the need to tell people.

20 The back side of that is if you aren't  
21 reacting to what they are saying, if you're not  
22 seeking the compliance of what they're saying, if  
23 you're not acting on the information that comes to  
24 you, it creates a worse problem than were doing.

25 So I think in terms of communicating

1 this, we need to make sure that there's a backshop in  
2 place to deal with whatever you're communicating,  
3 whether it's the need to be in compliance, whether  
4 it's the need to get a new permit, make sure you're  
5 prepared to handle whatever it is because if not it  
6 becomes a bigger negative than you had before.

7 DFO BRUCE SCHOFIELD: Erika is typing.  
8 So we want to make sure we catch that comment before  
9 we move on.

10 CHAIR DEBORAH WOOLLEY: It's close.

11 DFO BRUCE SCHOFIELD: We will revisit  
12 when we distill these down.

13 Bill.

14 MR. BILL FORSYTH: I would -- I would  
15 bet that for most people, the vast majority of  
16 people, that 26(a) permit is a one-time-in-their-life  
17 occurrence. And if they happen to do it twice, they  
18 wouldn't remember what it was the first time they did  
19 it. So I don't know that in communicating this  
20 increase there's any value in trying to do it.

21 Now, if we went to a periodic review,  
22 then there might be a need for better communication,  
23 but just the way we have been talking about this  
24 one-time fee I don't see it as a big deal.

25 DFO BRUCE SCHOFIELD: Avis.

1 MS. AVIS KENNEDY: I think the public  
2 is more accepting of a fee if they see that the funds  
3 they pay are going to be used to improve an area that  
4 they use so that it -- I don't know how all the  
5 accounting rules work at TVA.

6 If it were possible to bring some  
7 portion of these collections back into better  
8 compliance inspection or better cleanup of abandoned  
9 boats or facilities, you know, and be able to make  
10 that statement to the people, you know, we're going  
11 to raise this fee but this money is going to go  
12 towards having, you know, a cleaner, more  
13 aesthetically pleasing lake, people would always  
14 rather hear something like that than it goes into the  
15 general operation of TVA or the Corps or anybody  
16 else.

17 DFO BRUCE SCHOFIELD: Yeah. W. C.

18 MR. W. C. NELSON: I just think we  
19 need to emphasize that this is a cost recovery effort  
20 and not a revenue generator, that it's revenue  
21 neutral, to me that's the message that needs to go  
22 out.

23 DFO BRUCE SCHOFIELD: Did you get  
24 that, Erika?

25 For shorthand, cost recovery versus

1 revenue generator, and then we will refine it as we  
2 close this out.

3 MRS. JEAN ELMORE: Mine has been said.

4 DFO BRUCE SCHOFIELD: Okay. Mike.

5 MR. MIKE BALL: I do think -- and of  
6 course, I believe in transparency and not doing  
7 things in secret, but the less you talk about this  
8 the better.

9 I am going to get right back -- no,  
10 there's a time when you just need to change the  
11 subject. If you can't change your mind change the  
12 subject.

13 That was -- it was a very good point.  
14 For the people that have to pay this, it's a one-time  
15 thing. A lot of the people out there, when they hear  
16 about it, they might not even plan on doing anything  
17 and you -- I mean, I would just do one press release  
18 or one announcement on it and I would lay the  
19 justification for it mixed in, due to increase costs  
20 we want to keep our -- keep costs down to our  
21 ratepayers. You talk about we're going to find ways  
22 to make it efficient, as efficient as possible, and  
23 we regret having to do this but this is a necessary  
24 cost of doing business.

25 I wouldn't be doing press conferences

1 with it. I wouldn't bring it up every time I turn it  
2 around. I would do it one time, make the  
3 announcement, wherever you put that, and then go on  
4 because it just -- it's not going to be a winner  
5 either way.

6 DFO BRUCE SCHOFIELD: I understand.

7 MR. MIKE BALL: Talk about what a good  
8 job y'all do to give electricity to people or sell  
9 electricity.

10 CHAIR DEBORAH WOOLLEY: Or not passing  
11 it on to ratepayers.

12 MR. MIKE BALL: Change the subject.  
13 The most important thing is to keep those rates low  
14 and we hate it that we have got to do this, but our  
15 priority has to be to the overall -- it's like we had  
16 an issue in the legislature last time about spay and  
17 neuter clinics and one of my -- and the veterinarians  
18 were just crazy against it.

19 CHAIR DEBORAH WOOLLEY: You're making  
20 Bruce nervous. I saw him flinch.

21 MR. MIKE BALL: For dogs.

22 MR. TOM LITTLEPAGE: Explain your dog.

23 MR. MIKE BALL: One of my colleagues  
24 came to me and he had three or four of his  
25 veterinarians just really giving him a hard time.

1 I said, "Okay. How many veterinarians  
2 do you have?"

3 He said, "Well, I have got five of  
4 them in my district."

5 I said, "Okay. How many pet owners do  
6 you have?"

7 "Thousands."

8 I said, "Okay. Go for the pet  
9 owners."

10 It's the same way on this. How many  
11 people are going to be buying these in the next year?  
12 How many ratepayers have you got? So that's your  
13 message right there.

14 DFO BRUCE SCHOFIELD: Jack.

15 MR. JACK SIMMONS: I want to go a  
16 little between where Mike is and Bill is, and I don't  
17 think you need any communication unless you're  
18 required by law to do it because if you have got  
19 people in the process now and they have paid the fee  
20 that's required, the only ones that are going to be  
21 affected are those that have to go through it.

22 They are going to go to your web site  
23 and they -- or wherever and find the application and  
24 there's the amount and they take it or leave it  
25 because they are not going to be able to appeal it

1 and change it, that's just the amount.

2 If you go to the press release just  
3 like we do every month with the fuel cost adjustment,  
4 the fuel cost adjustment -- and you know, we have  
5 asked TVA time and again to not do press releases on  
6 that because it's just part of the process.

7 So I think if you don't have to do it  
8 by law, the less said the better. You put it in the  
9 process and you have people that complain about it  
10 and you deal with those on a one-on-one basis and say  
11 that this is cost driven. We're not passing it to  
12 the electric consumers. This is what it costs us to  
13 do it and administer it, you know, and leave it  
14 alone.

15 You need to have some internal process  
16 that allows y'all to check the reasonableness of it  
17 and make sure the amount is correct. I would get out  
18 of the advertising mode on something you don't have  
19 to advertise.

20 DFO BRUCE SCHOFIELD: Jean.

21 MRS. JEAN ELMORE: That's exactly what  
22 I was going to say. It's -- the people -- you know,  
23 say I am applying for permit and I have never applied  
24 for a permit before, unless I have done a whole lot  
25 of talking and listening I have no idea what that

1 permit was before.

2 If I asked the question, then explain  
3 it to me, that we haven't had one raise in 15 years.  
4 Everything has gone up. We have to cover the costs.  
5 Leave it at that.

6 DFO BRUCE SCHOFIELD: Bill.

7 MR. BILL FORSYTH: And one other way  
8 to look at it, you buy a new dock and you're 30 to  
9 \$40,000 on up is what you're going to pay for it. If  
10 you do a comparable addition on your house, what are  
11 your permit fees on that? I bet they are comparable  
12 to what we're charging for that dock.

13 MR. MITCH JONES: Bruce, don't say  
14 anything. Really, don't. There's -- I was sitting  
15 in traffic this morning coming in here, did I tell  
16 you I was sitting in traffic, and on Knox News there  
17 was a really cool article about the TVA.

18 You know what it was?

19 A new trail map, the front page in  
20 Knox News on my phone. Keep that stuff coming and  
21 keep that quiet. These guys are giving you great  
22 advice. Don't tell anybody what you're doing, just  
23 do it.

24 You legally can do that, right?

25 MR. JOE HOAGLAND: Yes.

1 MR. MITCH JONES: Thank you. Don't  
2 tell them.

3 DFO BRUCE SCHOFIELD: I'm not saying  
4 anything, I'm quiet.

5 Any other comments on question 3 or  
6 thoughts from the Council?

7 We have a question 4, but it's totally  
8 off of this particular subject. Would it be best to  
9 go — and question 4 is advice from this Council on  
10 how we could improve going into the Seventh Term,  
11 that's totally separate and apart from the three  
12 questions that we've asked on this.

13 I'm asking, should we go back and  
14 refine those comments to gel those down concisely and  
15 then address the fourth one?

16 CHAIR DEBORAH WOOLLEY: I would  
17 suggest we do those three and get those done and then  
18 change topics.

19 DFO BRUCE SCHOFIELD: Okay. Question  
20 1, can anybody see well enough or would you like us  
21 to read each bullet out?

22 MR. KARL DUDLEY: I would like to see  
23 us change could to should or shall or something  
24 that's more affirmative on the first one.

25 CHAIR DEBORAH WOOLLEY: I think on all

1 of them.

2 MS. ERIKA WADL: I thought about that  
3 as I was typing.

4 DFO BRUCE SCHOFIELD: I think we will  
5 let the Council read down through what's visible on  
6 the screen now and see if there's any combination or  
7 modification of those, and then we will scroll down  
8 to the bottom and get as many of them on there as we  
9 can.

10 Deb.

11 CHAIR DEBORAH WOOLLEY: I think you  
12 might want to look at combining the first two, that  
13 TVA should define full cost recovery and then give  
14 consideration.

15 DFO BRUCE SCHOFIELD: Did you pick  
16 that up, Erika?

17 MS. ERIKA WADL: Uh-huh.

18 DFO BRUCE SCHOFIELD: Karl.

19 MR. KARL DUDLEY: Just a question.  
20 Where it says implementing fines or penalties, I  
21 mean, we can't -- you can't do that, can you?

22 DFO BRUCE SCHOFIELD: Not under the  
23 current regs. We don't have fine authority right  
24 now. The penalty is loss of the permit.

25 MR. KARL DUDLEY: So my question is:

1 Does the Council want to recommend something to TVA  
2 that they can't do? I mean, shouldn't we just maybe  
3 delete that?

4 DFO BRUCE SCHOFIELD: Any opposition  
5 to deleting that particular comment?

6 Okay.

7 CHAIR DEBORAH WOOLLEY: What are we  
8 saying in the monitoring program?

9 MS. ERIKA WADL: I think we captured  
10 that. That was early in the discussion.

11 DFO BRUCE SCHOFIELD: The TVA should  
12 consider a monitoring program that looks at these  
13 permits rather than a lifetime permit?

14 MS. ERIN PRITCHARD: Yeah, I think  
15 that's where we talked about it early in the  
16 conversation. I think later we have recaptured that  
17 as —

18 DFO BRUCE SCHOFIELD: Does this get  
19 into the — is this the question on renewal that we  
20 should go out and have a requirement to renew a  
21 permit on a periodic basis?

22 Maybe that's — is that somewhere  
23 else, Erika.

24 MS. ERIKA WADL: I think it is. TVA  
25 should consider issuing permits that are for a

1 shorter period of time other than a lifetime permit.

2 DFO BRUCE SCHOFIELD: Is that a better  
3 way of stating it than the monitoring one?

4 MR. TOM LITTLEPAGE: Yes.

5 DFO BRUCE SCHOFIELD: Would you  
6 consider deleting the monitoring one?

7 MR. TOM LITTLEPAGE: So moved.

8 MR. KARL DUDLEY: So moved.

9 DFO BRUCE SCHOFIELD: Okay. Do we  
10 need to scroll up some?

11 MR. W. C. NELSON: What about defining  
12 the off reservoir jurisdiction, I mean, we really  
13 can't do that, can we, or can you?

14 If you can I think you need to  
15 eliminate all of the tributary streams.

16 DFO BRUCE SCHOFIELD: Well, what it  
17 says is TVA should consider further defining off  
18 reservoir jurisdiction, and what I -- what I -- just  
19 what I understood that to say is it's not clear what  
20 that is and really defining and it was more the  
21 education -- your point, more the educational program  
22 and to define it for the public that if you put a  
23 culvert in you may or may not require a permit from  
24 either TVA or the Corps to go do that.

25 Is that -- because there is a --

1 MR. W. C. NELSON: I thought that's  
2 what we were just talking about. It's certainly not  
3 something you want to get into.

4 DFO BRUCE SCHOFIELD: I understand.  
5 My folks will pull me off the edge of the cliff here  
6 if I go too far, but it's in the regulation that we  
7 have to go -- that it should be done.

8 Now, ours is knowing that you've put a  
9 culvert in across a tributary or a stream that is an  
10 extension of the system to go do that, I don't know,  
11 but where we see it we -- and it's generally in  
12 residential developments where there's a developer  
13 that's got to go do something. I understand that the  
14 landowner may or may not know they need to go do  
15 that.

16 CHAIR DEBORAH WOOLLEY: That came from  
17 John Matney, I think, maybe where I read where he was  
18 concerned on the tributaries there's not a real clear  
19 understanding or definition, whether it's a farmer or  
20 it's a developer, on when they are within the scope  
21 of having to get a 26(a) and when they might be  
22 outside of it and exactly where -- how far up it  
23 reaches and what it touches.

24 DFO BRUCE SCHOFIELD: So is it  
25 defining it or communicating it?

1                   You know, we've made a slight change  
2 to it. TVA should consider further defining off  
3 reservoir jurisdiction to better educate the public  
4 of the necessity of when a permit is required.

5                   MR. TOM LITTLEPAGE: Does the staff  
6 have a clear understanding of that line?

7                   DFO BRUCE SCHOFIELD: Yes.

8                   MR. TOM LITTLEPAGE: If there are off  
9 reservoir activities that are upstream and not  
10 involving a regulated stretch of the river.

11                   DFO BRUCE SCHOFIELD: Yes, we -- if  
12 we're informed and we're asked, yes. It's knowing.  
13 Sometimes we stumble across it when we're out doing  
14 land inspections or such.

15                   MS. AVIS KENNEDY: Is it the same as  
16 Waters of the United States? Is it the same as  
17 Waters of the United States as related to 404?

18                   MS. KAREN RYLANT: Any perennial  
19 stream in the reservoir shed. I wish I had bought a  
20 map of the watersheds. Any river or stream within  
21 our watershed is within our jurisdiction, and that's  
22 established in Section 26(a) of the TVA Act.

23                   MR. TOM LITTLEPAGE: That's all the  
24 way up to the headwaters.

25                   MS. KAREN RYLANT: It's any perennial

1 river or stream within the Tennessee River Watershed  
2 that's within our jurisdiction, and that's  
3 established in the Act, in the TVA Act. Typically on  
4 reservoir our jurisdiction extends to the 500 year  
5 floodplain. Off reservoir jurisdiction typically  
6 extends to the 100 year floodplain.

7 DFO BRUCE SCHOFIELD: I have gotten  
8 some help. In this particular one it — and the  
9 question that was asked is, is it responsive to the  
10 question that we're seeking advice on or should we  
11 take that under advisement outside of this Council or  
12 this section of the question because that's really  
13 one that when you are looking at it from a — what  
14 consideration should be given to establishing 26(a)  
15 application fees, this seems to be out and apart from  
16 that.

17 I mean, we will take it under  
18 advisement to go look at that and see if we need to  
19 better define it. Is that --

20 MR. TOM LITTLEPAGE: Yeah, I think  
21 there's two aspects of that. One is consistency in  
22 terms of those off reservoir enhancements that are  
23 upstream, is there consistency across the Valley of  
24 how people are required to obtain and where they are  
25 required to obtain?

1                   And then the second one is the bigger  
2 issue of internal.

3                   CHAIR DEBORAH WOOLLEY: But it also  
4 gets to the point of creating public awareness of  
5 when they need to get the permit because part of your  
6 responsibility is to make sure that --

7                   MR. TOM LITTLEPAGE: I'm saying if  
8 you're living in the Valley and you call and say, do  
9 I need a permit, I am upstream in one of these,  
10 quote, gray areas or less obvious areas, is that the  
11 same answer in another end of the Valley?

12                  DFO BRUCE SCHOFIELD: Yes, if they ask  
13 TVA.

14                  CHAIR DEBORAH WOOLLEY: We hope. I  
15 think instead of defining off reservoir jurisdiction  
16 because I think it's defined. It might be  
17 clarifying. It might -- you know, if you further  
18 clarify it to better educate the people, which could  
19 be maps or it could be communications.

20                  DFO BRUCE SCHOFIELD: W. C.

21                  MR. W. C. NELSON: I think you need to  
22 let a sleeping dog lie.

23                  DFO BRUCE SCHOFIELD: I understand.  
24 So further clarifications of the remaining bullets?

25                  CHAIR DEBORAH WOOLLEY: Should the

1 considering issuing permits that are for a shorter  
2 period of time go under question two?

3 MR. TOM LITTLEPAGE: Again, it's all  
4 tied together.

5 CHAIR DEBORAH WOOLLEY: And I'd really  
6 combine the questions and change the answers.

7 DFO BRUCE SCHOFIELD: I think my  
8 opinion is it's an important comment as long as it's  
9 captured. You know, it made -- some of these will  
10 always often bleed over to the other consideration.  
11 So I think as long as it's captured, we should be  
12 okay.

13 Ready to scroll?

14 CHAIR DEBORAH WOOLLEY: This is kind  
15 of minor, but on two of them we talk about transfer  
16 of ownership. I think we're talking about transfer  
17 of permit ownership as opposed to transfer of  
18 ownership of property.

19 MR. TOM LITTLEPAGE: Yeah. I think,  
20 you know, you indicated the issues associated with  
21 requiring that permit transfer as part of the  
22 process, but have you also considered the idea of  
23 just the notification of the buyer?

24 In other words, you're not physically  
25 requiring that that formal transaction be part of the

1 closing, but you're working with title attorneys or  
2 real estate companies to make sure that there is a --  
3 kind of like you said, part of the checklist is the  
4 buyer acknowledges that there is a TVA permit and a  
5 transfer is required, it's just not officially part  
6 of the closing?

7                   You know, it's part of the Buyer's  
8 Bill of Rights kind of thing. It may be something  
9 that they're more open to consider rather than tying  
10 down the closing to that transaction.

11                   DFO BRUCE SCHOFIELD: Okay. That's  
12 the one just above that line.

13                   MS. ERIKA WADL: Are you talking about  
14 this one, what modifications?

15                   MR. TOM LITTLEPAGE: Yeah. It's both  
16 that one and then a bullet above where we're working  
17 with HUD to ensure the transfer occurs, those kind of  
18 say the same thing. I almost think you can delete  
19 the HUD reference and just focus on --

20                   MS. ERIKA WADL: Delete this one?

21                   DFO BRUCE SCHOFIELD: Council?

22                   MR. TOM LITTLEPAGE: Yeah, given the  
23 will of the Council.

24                   MS. ERIKA WADL: Okay.

25                   DFO BRUCE SCHOFIELD: No objections?

1 Scroll up, please. I think possibly several of these  
2 kind of overlap. Is there a suggestion on  
3 consolidation?

4 MR. TOM LITTLEPAGE: The challenge is  
5 not knowing what -- how it's worded below, but  
6 that -- where the curser is, you know, Bill's point,  
7 I certainly hope we don't lose Bill's perspective of  
8 the -- if there is a periodic aspect kind of block it  
9 out and have a rotation schedule, I thought that was  
10 a pretty good suggestion.

11 DFO BRUCE SCHOFIELD: Yeah, that's the  
12 logistical piece of it.

13 MR. BILL FORSYTH: One section of the  
14 lake at a time.

15 DFO BRUCE SCHOFIELD: Yeah. We want  
16 to move to the next question. Erika.

17 MR. TOM LITTLEPAGE: 1, 2, and 5 seem  
18 essentially the same thing.

19 DFO BRUCE SCHOFIELD: Which one would  
20 the Council recommend or modify to roll them into  
21 one?

22 Jean.

23 MRS. JEAN ELMORE: I would say that  
24 No. 5 pretty much says it.

25 MR. TOM LITTLEPAGE: Yeah.

1 MR. MITCH JONES: Delete 2. I would  
2 recommend deleting 2 and keeping 5.

3 MRS. JEAN ELMORE: Yeah.

4 MR. TOM LITTLEPAGE: Agreed.

5 DFO BRUCE SCHOFIELD: Deleting 2 and  
6 keeping 5?

7 Opposed?

8 Delete 2.

9 CHAIR DEBORAH WOOLLEY: A question on  
10 5 because I'm not sure who was raising the question  
11 about whether that meets the requirements of the  
12 statute. We're throwing out good numbers and I like  
13 them, but is that going to be full cost or total cost  
14 recovery?

15 If it isn't, what do -- you know,  
16 where are we? If after five years we have done the  
17 whichever is less and the program costs more, are you  
18 going into a subsidy program automatically?

19 So, I mean, are we making a  
20 recommendation that says that?

21 DFO BRUCE SCHOFIELD: Yeah. If you'll  
22 allow me. Again, this is advice, and what we would  
23 then have to do is take that advice as TVA and figure  
24 out how we, you know, mold that to make it work to  
25 fit the intent of the statute to collect cost

1 recovery. If it doesn't then we -- I mean, this is,  
2 again, a suggestion.

3 CHAIR DEBORAH WOOLLEY: But I am  
4 thinking about the person out there who reads it.  
5 Could we say -- and I think, W. C., this was yours,  
6 wasn't it?

7 Could we say something like consider  
8 re-evaluation program such as a 10 percent increase  
9 or those -- whichever is less but always ensuring  
10 program costs is recovered, you know, something like  
11 that that I think lays out the roadmap on maybe how  
12 to look at it but doesn't let anybody come back to  
13 you-all later and say, well, the Council said you  
14 should never be more than the CPI or 10 percent and  
15 look at what you're doing. That's a question.

16 DFO BRUCE SCHOFIELD: Does that get to  
17 your point, Deb?

18 CHAIR DEBORAH WOOLLEY: If the Council  
19 agrees. I was throwing out an idea.

20 MR. TOM LITTLEPAGE: I would just  
21 suggest where it says 10 percent increase over those  
22 five years just to ensure that that is not read as an  
23 annual number.

24 DFO BRUCE SCHOFIELD: That's what  
25 the --

1 MR. TOM LITTLEPAGE: Delete which is.

2 MR. W. C. NELSON: You could read it  
3 as 10 percent a year for five years.

4 DFO BRUCE SCHOFIELD: Okay.

5 MR. W. C. NELSON: A 10 percent  
6 increase each five years. A 10 percent or CPI  
7 increase every five years, whichever is less.

8 MR. TOM LITTLEPAGE: Yeah.

9 MS. ERIKA WADL: So are we okay with  
10 this statement?

11 MR. BOB MARTINEAU: You changed it  
12 correctly.

13 MS. ERIKA WADL: Do what?

14 MR. BOB MARTINEAU: I think you made  
15 the correct change.

16 DFO BRUCE SCHOFIELD: So this is what  
17 we want -- the Council wants it to read?

18 Any more thoughts on question two?

19 Would you please scroll to three?

20 CHAIR DEBORAH WOOLLEY: I think we had  
21 kind of a final bullet that said don't communicate  
22 unnecessarily. So we have got a whole bunch of stuff  
23 up there telling how much to communicate but the  
24 final discussion is -- I think we need to ask whether  
25 we want that on the table or not. You know, it could

1 limit the communications or whatever is required. It  
2 could be an announcement that's buried down  
3 somewhere.

4 MR. BOB MARTINEAU: That's the last  
5 bullet. She captured that.

6 MS. ERIKA WADL: That's the last  
7 bullet.

8 CHAIR DEBORAH WOOLLEY: Okay. I have  
9 got it.

10 MR. W. C. NELSON: The last one there  
11 is good.

12 CHAIR DEBORAH WOOLLEY: Should the  
13 last one be the first one?

14 MR. MITCH JONES: It should probably  
15 be the only one.

16 MRS. JEAN ELMORE: That really needs  
17 to be the only one, I think.

18 MR. KARL DUDLEY: I make a motion to  
19 make it the only one.

20 MR. MITCH JONES: Second. How simple  
21 can you do it there, Mr. Schofield, sir?

22 DFO BRUCE SCHOFIELD: It's not my  
23 Council.

24 Is that realistic?

25 MR. PHIL HAZLE: I think it looks like

1 you're trying to hide something when you say consider  
2 doing as little communication. Could we format it  
3 that TVA should apply by the law?

4 MR. W. C. NELSON: Leave that out.

5 MR. PHIL HAZLE: I mean, do what is  
6 legally necessary to inform the public.

7 MR. TOM LITTLEPAGE: I don't know that  
8 you would say should consider doing what is required  
9 by law.

10 MR. PHIL HAZLE: Do only what's  
11 required by law.

12 MR. MITCH JONES: Well said.

13 MR. TOM LITTLEPAGE: That was a  
14 previous TVA right.

15 MR. BOB MARTINEAU: The other bullet,  
16 make sure it's clear to cover costs and that it's not  
17 a rate increase in revenue.

18 MR. W. C. NELSON: Make sure you cover  
19 that. You're recovering the costs.

20 MR. TOM LITTLEPAGE: I think there's  
21 two aspects. If you're just going to implement a fee  
22 change to the current program, I think the idea is  
23 you don't really to implement this massive PR  
24 campaign.

25 If you're going to modify to do to a

1 duration concept, I think you need to explain to  
2 folks why you're doing that and the -- it's a  
3 different communication strategy.

4 CHAIR DEBORAH WOOLLEY: What if  
5 instead of saying as little communication as  
6 possible -- because I kind of agree that that's like  
7 a red flag. What if you just say TVA should formally  
8 communicate the fee increase through normal channels,  
9 such as website and to permit applicants, you know,  
10 somewhere that you're saying you're formally  
11 communicating it but limit --

12 DFO BRUCE SCHOFIELD: Mike.

13 MR. MIKE BALL: TVA should communicate  
14 as necessary to affected individuals or to those  
15 affected by this policy.

16 MRS. JEAN ELMORE: Communication as  
17 needed.

18 MR. MITCH JONES: Wow. Very well  
19 said.

20 MR. MIKE BALL: As necessary.

21 MRS. JEAN ELMORE: As needed. Right.  
22 Well, it's only needed by those who are asking for  
23 it. So it doesn't need to go out broadly.

24 MS. ERIKA WADL: That's the last  
25 bullet.

1 MR. MITCH JONES: Is there any other  
2 reason to have -- is there any reason to have any of  
3 the other bullets up there other than that last one?

4 MRS. JEAN ELMORE: There's no reason  
5 to.

6 MR. TOM LITTLEPAGE: Well, I'm not  
7 sure that the fourth bullet is not a good bullet. I  
8 don't see any reason why we would want to delete  
9 that. I would keep that.

10 MS. ERIKA WADL: Keep that one, but  
11 delete the rest?

12 MR. MITCH JONES: Keep that one and  
13 the last one.

14 CHAIR DEBORAH WOOLLEY: I think  
15 there's two things. I think we can -- and I am  
16 putting on a PR hat. I think if you formally  
17 communicate you -- and I think I would lose as  
18 necessary.

19 I think I would just formally  
20 communicate to those who are affected and leave it at  
21 that because as necessary, again, decides information  
22 is needed, and you don't need to say that because  
23 it's implied.

24 I think the second thing is when it  
25 hits the website or it hits the first disgruntled

1 developer who was looking at costs last year and is  
2 going to apply next year, it's going to hit some  
3 public.

4 So we need to have some of the other  
5 communication recommendations, I think such as No. 4  
6 you were talking about, to be prepared to use even  
7 it's on a one-on-one basis, but I think also having  
8 this document brings a certain degree of  
9 responsibility instead of just telling as few as you  
10 can as little as you can.

11 MS. ERIKA WADL: So delete the as  
12 necessary?

13 CHAIR DEBORAH WOOLLEY: I would.

14 DFO BRUCE SCHOFIELD: And just  
15 something for the Council, in going into  
16 communications, the fourth bullet, it says that TVA  
17 should clearly communicate that this increase does  
18 not increase revenue, that's a false statement.

19 MR. KARL DUDLEY: That is false.

20 DFO BRUCE SCHOFIELD: It will increase  
21 revenue, but it is designed to cover costs.

22 CHAIR DEBORAH WOOLLEY: Revenue  
23 neutral.

24 MR. BOB MARTINEAU: It's not revenue  
25 neutral. It is generating revenue.

1 DFO BRUCE SCHOFIELD: Mike.

2 MR. MIKE BALL: Maybe TVA should  
3 communicate the reasons why this increase has become  
4 necessary or the justification for this increase.

5 MR. MITCH JONES: If required.

6 MR. MIKE BALL: Only if asked.

7 MR. MITCH JONES: If required.

8 MR. MIKE BALL: Only if asked.

9 MR. MITCH JONES: If required TVA  
10 should communicate that this is a cost recovery  
11 program, end of story.

12 MS. ERIKA WADL: So are we okay that I  
13 delete the increased revenue portion?

14 MR. MARK IVERSON: Yes.

15 MS. ERIKA WADL: Then is that what we  
16 want or if asked or if required.

17 MR. MIKE BALL: Upon inquiry might be  
18 good.

19 MS. ERIKA WADL: Then do we want to  
20 get rid of some of these others up here?

21 MR. BOB MARTINEAU: Yes.

22 MS. ERIKA WADL: Like the bullet one,  
23 do we want to delete that?

24 MRS. JEAN ELMORE: I think so.

25 MS. ERIKA WADL: Okay. I am just

1 going to do a bullet at a time just to make sure.

2 MRS. JEAN ELMORE: Because I don't  
3 think we need to broadly do it.

4 MS. ERIKA WADL: Bullet one, okay.  
5 Bullet two?

6 CHAIR DEBORAH WOOLLEY: I think we  
7 have already covered that one.

8 MS. ERIKA WADL: Okay. Bullet -- this  
9 bullet is not three anymore. Delete it? Then I  
10 think this -- delete this one?

11 MR. BOB MARTINEAU: Right.

12 MS. ERIKA WADL: Okay. And then  
13 delete this one as well?

14 CHAIR DEBORAH WOOLLEY: Yes.

15 MR. BOB MARTINEAU: That would be  
16 dishonesty.

17 CHAIR DEBORAH WOOLLEY: Lose that one.

18 MS. ERIKA WADL: And ten we're okay  
19 with deleting this one and leaving the last one? It  
20 will just be the two bullets, correct?

21 CHAIR DEBORAH WOOLLEY: Yeah. Then I  
22 would move the second bullet to be the first one  
23 because it flows better.

24 MR. MITCH JONES: Cut, paste, copy.

25 CHAIR DEBORAH WOOLLEY: Instead of

1 saying upon inquiry because, again, that to me is a  
2 little bit of a secret. Can you just say TVA should  
3 be prepared to communicate clearly that this increase  
4 ensures that the program is fully paid for and that  
5 ratepayers are -- and then it doesn't have that --

6 MR. MIKE BALL: Should be prepared  
7 implies that you're not going to do it unless --

8 MRS. JEAN ELMORE: Unless you're  
9 asked.

10 CHAIR DEBORAH WOOLLEY: But you're not  
11 saying --

12 MRS. JEAN ELMORE: That becomes sort  
13 of redundant there.

14 MS. ERIKA WADL: Which one do we want  
15 to delete?

16 MRS. JEAN ELMORE: Take that out.

17 MS. ERIKA WADL: Upon inquiry, we're  
18 okay with that.

19 DFO BRUCE SCHOFIELD: Does that take  
20 question three?

21 CHAIR DEBORAH WOOLLEY: Can I ask a  
22 question?

23 DFO BRUCE SCHOFIELD: Absolutely.

24 MR. BOB MARTINEAU: No.

25 CHAIR DEBORAH WOOLLEY: It's a quick

1 one because I was going to change a word. As of  
2 today are ratepayers subsidizing the program?

3 DFO BRUCE SCHOFIELD: Yes.

4 MR. BOB MARTINEAU: You can pretty  
5 much guarantee it since 15 years ago was the last  
6 rate increase.

7 CHAIR DEBORAH WOOLLEY: So can you say  
8 that ratepayers are positively affected?q.

9 MR. BOB MARTINEAU: We don't need to  
10 dance on that.

11 MR. JOE HOAGLAND: No.

12 MRS. JEAN ELMORE: That's going to  
13 bring a lot of questions.

14 CHAIR DEBORAH WOOLLEY: Okay.

15 MR. JOE HOAGLAND: They won't be  
16 further impacted in the future.

17 CHAIR DEBORAH WOOLLEY: Okay. Because  
18 I don't want to imply that you're going to decrease  
19 it because you're doing this.

20 MR. MARK IVERSON: You won't see a  
21 rate decrease.

22 MR. MIKE BALL: Or not adversely  
23 affected. Ratepayers issued to ensure that  
24 ratepayers not adversely affected.

25 MR. BOB MARTINEAU: Further adversely

1 affected.

2 MR. MIKE BALL: Further adversely  
3 affected.

4 MR. BOB MARTINEAU: How about just end  
5 it at the end of the program is fully paid for.

6 MR. MIKE BALL: Because we love  
7 ratepayers very much because there is more of them.

8 DFO BRUCE SCHOFIELD: Say that again.

9 MR. BOB MARTINEAU: I was just going  
10 to say end it, you know, with the --

11 CHAIR DEBORAH WOOLLEY: Fully funded.

12 MR. BOB MARTINEAU: Ensures that the  
13 program is fully funded or its costs -- it achieves  
14 cost recovery or something like that period.

15 DFO BRUCE SCHOFIELD: Don't reference  
16 the ratepayers.

17 Jack.

18 MR. JACK SIMMONS: Before you change  
19 that, I'm not sure you can say that because I don't  
20 think even if you do what this says up here you're  
21 going to -- I mean, there will be some funding by  
22 ratepayers, like it or not, because I don't think  
23 your recovering all the costs now and when you change  
24 these rates you're talking about you're still -- you  
25 just can't say that.

1           The ratepayers are affected period.  
2       So you have got to word this thing, you know, are not  
3       more adversely affected or something. I don't know  
4       the word, but the point is until you go through the  
5       accounting process that shows there's no impact to  
6       the ratepayer I don't think you can say that last  
7       sentence.

8           CHAIR DEBORAH WOOLLEY: I think based  
9       on the first one we said where we raised the  
10      questions about what is fully funded versus the --  
11      what we're ensuring here is that the application  
12      program is funded because that's what the costs are  
13      they have run.

14           MR. JACK SIMMONS: Fully funded  
15      period.

16           MS. ERIKA WADL: What was that? So  
17      take out this part?

18           MR. PHIL HAZLE: Yeah.

19           MR. BOB MARTINEAU: The increase is  
20      designed to ensure or something.

21           CHAIR DEBORAH WOOLLEY: What if you  
22      just say that TVA should be prepared to communicate  
23      clearly both the impacts and effects of the increase,  
24      and you-all figure out what they are.

25           MR. MIKE BALL: I just -- I just

1 wanted to make sure that in the statement that we get  
2 a mention of ratepayers because you're going -- with  
3 this policy the people that are getting permits,  
4 there's a few of them, but they are going to be  
5 questioning why are y'all doing this to us. There  
6 needs to be some mention that we care about the  
7 ratepayers and that's why we have to do this. There  
8 needs to be some mention in there, I think, or the  
9 power consumers or whatever.

10 DFO BRUCE SCHOFIELD: Jack.

11 MR. JACK SIMMONS: I think you can do  
12 something along these lines by saying that the intent  
13 of the program is to capture as much of the costs as  
14 possible to minimize the impacts on the ratepayers.

15 MR. MIKE BALL: There you go.

16 DFO BRUCE SCHOFIELD: Does that third  
17 bullet catch it?

18 MR. TOM LITTLEPAGE: Can I amplify  
19 that just to say to ensure that the services are  
20 borne by those who use it or something like that? Is  
21 that beneficial to amplify it? I will throw that to  
22 the crew.

23 DFO BRUCE SCHOFIELD: Jean.

24 MRS. JEAN ELMORE: That may say it  
25 perfectly, but I know another way might be is to

1 protect the ratepayer from unnecessary increases.  
2 That might be too wordy.

3 MR. MIKE BALL: I like to minimize the  
4 impact to the ratepayer. I think he nailed it.

5 MRS. JEAN ELMORE: Okay.

6 DFO BRUCE SCHOFIELD: Tom, do you want  
7 to follow up on yours?

8 MR. TOM LITTLEPAGE: Well, this  
9 fee-for-service concept, communicate that we're  
10 trying to adequately capture a fee for service by  
11 those who are using this service.

12 So it's almost -- I think Jack kind of  
13 nailed it, but something to the effect that the RRSC  
14 supports TVA's efforts to embrace a fee-for-service  
15 concept in this area to ensure that the 26(a)  
16 permitting program is funded by those that are used  
17 or benefit from this service while -- maybe just say  
18 while you are minimizing the impacts to the  
19 ratepayers. We may be beating a dead horse here.

20 MR. W. C. NELSON: That's why I  
21 think -- first off, the term ratepayers, 75 percent  
22 of the population out there, they don't know what  
23 that is.

24 MR. MIKE BALL: Power consumers.

25 MR. W. C. NELSON: I just think that

1 we need to convey that it's an adjustment to cover  
2 the costs of the application and the approval process  
3 and drop it.

4 CHAIR DEBORAH WOOLLEY: What if we  
5 change the word program to user fee?

6 MR. MITCH JONES: I think you've got  
7 two points up there, one and two that you're going to  
8 -- over the next year while this is being implemented  
9 you may have five inquiries. We're talking about  
10 five people here, much to do about nothing. I think  
11 you're going to have five people ask you why did your  
12 rates go up the way they did.

13 Whoever wrote the article or whoever  
14 wrote the PR for the trail map presentation that we  
15 had that was published today in the newspaper, have  
16 that person answer the question to those five people  
17 and you're done. So I just think we're just making  
18 much to do about five people.

19 DFO BRUCE SCHOFIELD: So I want to go  
20 back. Of those three bullets, does the second one go  
21 away as a result of the third one?

22 MS. ERIKA WADL: Okay. Delete this  
23 one?

24 DFO BRUCE SCHOFIELD: Council? Yes.

25 MS. ERIKA WADL: What do we think

1 about the second one?

2 CHAIR DEBORAH WOOLLEY: Those who  
3 benefit. Those that benefit should be those who  
4 benefit.

5 DFO BRUCE SCHOFIELD: And I think the  
6 question that we -- Mike, go ahead. Sorry.

7 MR. MIKE BALL: I'm sorry. I didn't  
8 put it down.

9 DFO BRUCE SCHOFIELD: It sounds like  
10 the question -- the only further question on the  
11 table is, does that sentence end with benefit or do  
12 we, to W. C.'s point, include the reference to the  
13 ratepayers?

14 MR. MITCH JONES: I think Tom and Deb  
15 have got a pretty good handle on that. I would --  
16 whether they are consumers, ratepayers, customers,  
17 guests, clients, whatever they might be, it's  
18 implied.

19 MR. TOM LITTLEPAGE: I think we can  
20 delete that.

21 MS. ERIKA WADL: We should delete this  
22 last section?

23 MR. TOM LITTLEPAGE: You were thinking  
24 we need to communicate something here. So I want to  
25 make sure you're comfortable with this in terms of

1 the average --

2 MR. MIKE BALL: From those who  
3 benefit, that's a vague term. Okay. Who is it, the  
4 bigwigs up here at TVA? I mean, I want to -- that's  
5 a vague implication we need to spell out the people  
6 somehow instead of just leaving it open.

7 MR. W. C. NELSON: Why couldn't we say  
8 the fee increase is to capture as much of the costs  
9 from the application or processing the application?  
10 That's basically what we are wanting to do, we're  
11 wanting to recover the costs of processing the  
12 application.

13 MR. MIKE BALL: As much of the  
14 costs from the --

15 MR. W. C. NELSON: Associated with.

16 MR. MIKE BALL: -- applicants.  
17 Instead of ratepayers, we need to use consumers.

18 DFO BRUCE SCHOFIELD: Jack.

19 MR. JACK SIMMONS: I am willing to  
20 withdraw what I put on there because the only thing I  
21 was trying to clarify is that your previous statement  
22 said that you were going to guarantee you don't give  
23 it back to the ratepayer.

24 If you want to put something in there  
25 that says that you are capturing all of the costs of

1 those folks who benefit from the facilities that are  
2 permitted under this, that's fine. I just -- your  
3 other statement was false without clarifying or  
4 minimizing the ratepayers. So if you want to take  
5 that out and just talk about the beneficiaries, I'm  
6 good with that.

7 DFO BRUCE SCHOFIELD: And just so I  
8 can step back and facilitate, it's the Council's  
9 statement, not mine. I am not trying to drive this  
10 to a thing. Good point, Jack. I just -- what does  
11 the Council think we should say?

12 MR. TOM LITTLEPAGE: Maybe we say the  
13 applicant here to capture -- does that really capture  
14 those who benefits? There may be some confusion. So  
15 capture costs from the applicants --

16 MR. MIKE BALL: There you go.

17 MR. TOM LITTLEPAGE: -- period.

18 MRS. JEAN ELMORE: Yeah, period.

19 DFO BRUCE SCHOFIELD: Jack.

20 MR. JACK SIMMONS: Delete the last  
21 part, I'm good with that. But as much of the costs,  
22 I mean, you're either capturing the costs or you're  
23 capturing the appropriate costs.

24 MR. TOM LITTLEPAGE: Relevant costs.

25 MR. JACK SIMMONS: I don't get

1 anything out of much of the costs.

2 MR. TOM LITTLEPAGE: Capture relevant  
3 costs from the applicant.

4 CHAIR DEBORAH WOOLLEY: We said  
5 application fee increases.

6 MRS. JEAN ELMORE: If we leave  
7 minimizing the impact to the ratepayers, that's going  
8 to open up -- the ratepayers right now don't realize  
9 that they have been -- that it's been costing them  
10 anything.

11 MR. BOB MARTINEAU: That's why we need  
12 to take it out.

13 MRS. JEAN ELMORE: So, yeah, we need  
14 to remove that because then that's going to open up a  
15 whole barrel.

16 MR. JACK SIMMONS: Which I am not  
17 opposed to opening that barrel.

18 DFO BRUCE SCHOFIELD: It now says TVA  
19 should be prepared to communicate clearly that the  
20 intent of the application fee increase is to capture  
21 as much of the costs or relevant costs.

22 MR. KARL DUDLEY: I'm an engineer, not  
23 an English major, but I just wanted to make one try  
24 at it here. It seems to me that you say the fee  
25 increase is to more closely capture the costs of this

1 service and leave the applicants out of it. The fee  
2 is for the services.

3 MRS. JEAN ELMORE: Exactly. I agree  
4 with that.

5 MR. KARL DUDLEY: It's not for the  
6 person, it's for the service.

7 MR. TOM LITTLEPAGE: It's for the cost  
8 of the service.

9 MRS. JEAN ELMORE: Right.

10 MS. ERIKA WADL: Did that capture it?

11 MR. TOM LITTLEPAGE: Capture the cost  
12 of the services.

13 MR. W. C. NELSON: What about  
14 application process?

15 MR. KARL DUDLEY: Okay.

16 MR. TOM LITTLEPAGE: Well, to some  
17 degree you're getting a monitoring and compliance  
18 component as well.

19 CHAIR DEBORAH WOOLLEY: And that's all  
20 you're doing is the application fee process now.

21 MR. BOB MARTINEAU: Bingo. Going  
22 once? Going twice?

23 DFO BRUCE SCHOFIELD: We're going to  
24 end up going thumbs up because we have got to make  
25 sure there's a quorum and the advice is good.

1 Do we need to review the three advice  
2 questions again?

3 So I guess you would call for a vote.

4 CHAIR DEBORAH WOOLLEY: Okay. Can we  
5 vote on all three as one unit?

6 Everyone who approves the first three  
7 questions, thumbs up.

8 Everybody who doesn't?

9 DFO BRUCE SCHOFIELD: So moved.

10 CHAIR DEBORAH WOOLLEY: I think it's  
11 done.

12 DFO BRUCE SCHOFIELD: Question four,  
13 how might TVA and the Council improve upon its  
14 advisory engagement in advancing TVA stewardship  
15 programs?

16 This is kind of looking at what this  
17 Council thinks and advice they can give to the  
18 seventh term as to how we can operate better,  
19 function better, work more collaboratively, et  
20 cetera.

21 MR. BOB MARTINEAU: My suggestion here  
22 might be, although we had overnight to think about  
23 it, but trying to craft a consensus set of bullets on  
24 that is -- maybe this is one where each individual  
25 member, to the extent they have suggestions for

1 improving the process going forward, let them just  
2 submit them to you or Deb.

3 DFO BRUCE SCHOFIELD: I can work with  
4 that.

5 MR. BOB MARTINEAU: In the next 30  
6 days or whatever.

7 DFO BRUCE SCHOFIELD: Jack.

8 MR. JACK SIMMONS: This is a question.  
9 I have served on -- Deb and I both served on the IRP  
10 review committee. And what you just said about  
11 consensus, you know, we had that issue in the IRP,  
12 and the ground rules at the beginning were that we  
13 don't expect y'all to reach consensus on every issue  
14 because you're stakeholders that represent views that  
15 are quite different from time to time.

16 So I saw that as a process for TVA to  
17 gather input from those individual stakeholder groups  
18 and TVA, under its authority or responsibility,  
19 mandate, whatever it is for that IRP process, would  
20 have to go through a determination of how to sift  
21 through those comments.

22 I have been on this committee long  
23 enough to know whether it's that kind of environment  
24 or not, but I would assert that there's going to be  
25 times we may not reach consensus on some things.

1                   And to think that we have to always  
2 reach a consensus on this may be too lofty a goal and  
3 it may water down. In fact, some of these may have  
4 been watered down to the fact that you-all don't get  
5 a published -- I mean, you hear the dialogue, but you  
6 don't get necessarily a published set of bullets that  
7 represents truly what this group said.

8                   Let me give you an example. We have  
9 three boards. We have a TVPPA Board, a Seven States  
10 Board, and an Insurance Company Board. Karl sits on  
11 two of those boards. I used to brag that since I had  
12 been in this job we never had any decisions that  
13 weren't unanimous, and I think that weakens our  
14 position sometimes because we need to sometimes have  
15 some disagreement and take some actions as a board, I  
16 am talking about my board now, that isn't unanimous.

17                   So I want to be careful and I think  
18 this group ought to be careful that we don't just  
19 have to get consensus on everything. Sometimes  
20 diversity of opinion can give you strength in terms  
21 of the guidance of TVA on things.

22                   That was a lot of words to say, you  
23 know, I'm not sure we have to have consensus.

24                   CHAIR DEBORAH WOOLLEY: I want to add  
25 to what you said because I think it's good. I think

1 sometimes getting just different viewpoints is very  
2 important. It might be if we have to do this, and  
3 I'm not sure whether we do or not without allowing  
4 descending viewpoints, that we could have a mechanism  
5 outside just questions just to capture some of the  
6 conflicting or varying viewpoints.

7 MR. PHIL HAZLE: Well, it's in the  
8 Charter that, you know, if somebody descends or they  
9 are in the minority that they can be -- you know,  
10 that it's in the Charter that they can be heard.

11 DFO BRUCE SCHOFIELD: Again, in  
12 this -- in this particular -- we have vote or you  
13 have voted on the three questions that we were  
14 seeking formal Council advice.

15 This really is a question that says,  
16 how can we do better at communicating and  
17 collaborating?

18 Going to Bob's point, it may be that  
19 we solicit those independent suggestions and bring  
20 them in through the RRSC website to go do that. It's  
21 not something that I think in my opinion that the --  
22 any suggestion is welcome. It's not that there's got  
23 to be a consensus that everybody agrees that we can  
24 do it that way.

25 MR. BOB MARTINEAU: That was my point

1 that we were not going to go do that today.

2 DFO BRUCE SCHOFIELD: No, I don't  
3 think we intended to go do it that way.

4 MR. JOE HOAGLAND: Deb and I talked  
5 and Bruce about having this because I just want to  
6 make sure as we go into the Seventh Term, you know,  
7 are we getting the best value?

8 And you—all who are sitting through  
9 this I'm sure have got some thoughts on ways we might  
10 improve.

11 CHAIR DEBORAH WOOLLEY: I think one of  
12 the best things that have been done was what we did  
13 yesterday, which is having worked on the  
14 Environmental Stewardship Plan. We got a report back  
15 on the status of it.

16 I think on a lot of these things, even  
17 where we're just giving consensus, getting that  
18 report back, getting that follow-up, getting that  
19 accountability is important, and we don't always get  
20 that. We just see how it rolls out. Things have to  
21 be modified because rules or procedures required it,  
22 but I think getting that report back is extremely  
23 important.

24 And then the element I thought that  
25 could have been added to yesterday, after we got that

1 report of the five-year plan and the ten-year plan,  
2 whatever, would have been how did we feel about the  
3 report.

4 Did we think the report was adequate?

5 Did we think the report provided  
6 information that we needed know that it was on track  
7 so there's a little bit more of a two-way  
8 conversation.

9 DFO BRUCE SCHOFIELD: Mitch.

10 MR. MITCH JONES: Bruce, I am going to  
11 put you on the spot. Over the last four or five --

12 CHAIR DEBORAH WOOLLEY: He wants  
13 that --

14 MR. MITCH JONES: You and I can have  
15 this conversation, and normally we don't in an open  
16 forum. It's a pretty easy question.

17 Does the TVA value what they see  
18 coming from these sessions? That's in the form of a  
19 question.

20 And two, do you normally implement  
21 what we suggest?

22 DFO BRUCE SCHOFIELD: First, the  
23 answer to the first question is absolutely. These  
24 are valuable. They have been over the previous five  
25 terms, as well as this one.

1           The input we got on ROS and the input  
2 we got on IRP and the input we got on the NRP, et  
3 cetera, was invaluable. By and large, the advice we  
4 receive from the Council helps us guide our  
5 activities.

6           There's — I can't think of something  
7 that we have discounted out of hand and go do that.  
8 So it may not be implemented word-for-word verbatim,  
9 but it has influenced how we have designed those  
10 processes and programs which we use to — which we  
11 seek your advice from.

12           MR. MITCH JONES: Thank you.

13           CHAIR DEBORAH WOOLLEY: I think Tom  
14 can comment on it because he's been here longer than  
15 I have. Going through two terms of it, it appears to  
16 me that the Council has taken a more vocal role.

17           I can remember some of the earlier  
18 sessions where the discussion for questions was  
19 probably the least talked about part of the whole  
20 thing, and now there really seems to be strong  
21 viewpoints and they get put out there. I think they  
22 are heard because I see big things that have changed  
23 as a result of them.

24           The environmental plan after the first  
25 time of meeting and hearing from the Council pretty

1 much changed the stewardship plan pretty much changed  
2 the entire direction of where it was going. I mean,  
3 it was fundamentally rewritten.

4 MR. MITCH JONES: Deborah, Anda Ray  
5 was leading the TVA side. Now, it's Bruce and then  
6 Joe, that's the succession of the process, correct?

7 MR. JOE HOAGLAND: Correct.

8 MR. MITCH JONES: So, Joe, you're  
9 stepping into the next term as the Anda, the Bruce,  
10 and the Joe?

11 MR. JOE HOAGLAND: Yes, that's right.

12 MR. MITCH JONES: They're not getting  
13 any better looking as we go along.

14 CHAIR DEBORAH WOOLLEY: I think that  
15 was a compliment to you.

16 DFO BRUCE SCHOFIELD: It depends on  
17 how far back you want to go.

18 MR. MITCH JONES: Look, we conduct  
19 business every day, and business is serious, but we  
20 shouldn't take ourselves seriously.

21 MR. JOE HOAGLAND: No, I agree. But I  
22 think the -- and we actually internally had a  
23 discussion around, you know, do we want to have a  
24 Seventh Term of the RRSC. You know, as we talked and  
25 discussed, I think your questions are exactly what we

1 asked ourselves.

2           What we came back with was, one, that  
3 the big programs that we have looked at over the last  
4 few years, the advice this Council has given has  
5 definitely impacted the direction we have taken in  
6 some of those programs.

7           Secondly, you-all give a different  
8 perspective on things. In fact, we saw it today in  
9 this discussion around things that -- you know, we  
10 hear from politicians all the time and we hear from  
11 squeaky wheels all the time, and what we're getting  
12 from you-all is not quite the same.

13           So that's really helpful because it  
14 gives us a different perspective on how things -- how  
15 people perceive things and what they think are  
16 important in the Valley.

17           Then for our Board the information  
18 that you-all provide back I think is important  
19 because they too, right, get a very narrow band  
20 sometimes of folks. We had -- for those of you who  
21 watched the last Board meeting, you know, there was  
22 two hours of 30 people beating up on the Board.

23           Well, they took that very personally,  
24 right, and you have to go back to them and say, okay,  
25 those were 30 people, there's 9 million of them out

1 there, right. So does this 30 people represent that  
2 9 million? Well, you-all help bring some perspective  
3 to that.

4           Anyway, that's long winded to say that  
5 what we came up internally is that it's very valuable  
6 to get your perspective and your sense as we're  
7 looking at these programs.

8           And you know, the stewardship  
9 programs, in particular, are incredibly important,  
10 but in this, you know, cost-conscious, low-rate world  
11 they are getting more and more difficult to figure  
12 out how we continue to do them effectively, and, you  
13 know, the input you-all are giving are really helping  
14 us think about some of that.

15           CHAIR DEBORAH WOOLLEY: And I would  
16 add too that as you move ahead and looking at  
17 communicating some of this stuff, use the Council.  
18 You know, when you formally, limitedly, carefully  
19 roll out the rate increase and you get asked about  
20 it, well, it went through a stakeholder group, and  
21 this is a diverse group.

22           So I think in some ways we can be a  
23 shield, a PR tool. We can be messengers for you. I  
24 think more than just getting the advice there's some  
25 value in what we do as you go more public with it.

1 MR. JOE HOAGLAND: That's a good  
2 point.

3 DFO BRUCE SCHOFIELD: Again, this is  
4 not a consensus question. We will not ask the  
5 question Council to read through these and modify  
6 them and wordsmith them, but we would appreciate a  
7 follow-up on that question four of any advice that  
8 you have or any counsel that you might give us as you  
9 soak on this for a while.

10 Particularly those members who are  
11 leaving the Council that we won't have that  
12 opportunity in the next term to get that advice, we  
13 would appreciate it. So that's where that is.

14 I guess we're heading towards  
15 adjournment. Here again, I would like to thank the  
16 Sixth Term for the wonderful support they have given  
17 us and the job they have done. A special thanks to  
18 those who are rolling off the Council. We have  
19 appreciated your input, your thoughtfulness to go do  
20 that, and it's not necessarily always convenient for  
21 you to travel to the Valley to help us go do that.  
22 So, again, I thank you for that.

23 Those that have agreed to serve  
24 forward again on the Seventh Term, I appreciate you  
25 as well for going to do that.

1                   And with that, Joe, anything you want  
2 to try to top that?

3                   MR. JOE HOAGLAND: Well, no. I have  
4 got to figure out how I can get my looks better. Any  
5 advice on that would be good.

6                   CHAIR DEBORAH WOOLLEY: It's the gray  
7 hair.

8                   MR. JOE HOAGLAND: I mean, I think I  
9 have said pretty much everything. I am looking  
10 forward to the Seventh Term. I think there's still a  
11 lot of challenges that we have got to continue to  
12 look at. You know, this one in particular today we  
13 don't have all the way solved yet.

14                   This Council, I think, is important.  
15 You know, Deb, I appreciate your point of we do need  
16 to have folks that not only help us and guide the  
17 direction in what we're doing but can help us -- I  
18 don't know what the right term is.

19                   MR. MITCH JONES: Advocate.

20                   MR. JOE HOAGLAND: Advocate and defend  
21 some of the things that we are doing when we're doing  
22 them right. I mean, certainly if we're not doing  
23 them right we don't need that, but if we're doing  
24 them right we do because it's getting to be a tougher  
25 world out there and a lot of folks want to pull

1 things in a lot of different directions.

2           Anyway, I really do appreciate it. I  
3 have really enjoyed the last couple of days. This  
4 has been really informative.

5           MRS. JEAN ELMORE: I would just like  
6 to say that we are a very diverse group and we -- you  
7 know, our appointment comes from different areas and  
8 different segments, and certainly I think we need to  
9 maintain that because that gets the word out even  
10 greater into areas that would not normally be tuned  
11 in.

12           MR. JOE HOAGLAND: Good point.

13           MR. MITCH JONES: So the public  
14 speaker here or the citizen here that directed some  
15 very interesting points to the TVA today, let's  
16 ensure that we listen to him, that we're answering  
17 his questions, that if I deal with the finger TWRA,  
18 Coast Guard, TVA, Army Corps, TDEC, the major league  
19 baseball players' association, the PGA Tour,  
20 everybody has their hand in something to do with this  
21 waterway.

22           He brought some good points today. We  
23 should not have two sunk boats in our lakes. That's  
24 impacting our water quality. We need to listen to  
25 him.

1 DFO BRUCE SCHOFIELD: Deb.

2 CHAIR DEBORAH WOOLLEY: I just really  
3 want to thank the staff. We take the time to come in  
4 for these meetings. How valuable the meetings are, I  
5 think, are based on the information you-all share  
6 with us.

7 I feel like the presentations we  
8 get — I think Karen has been told she's done the  
9 best of anybody. So that's a thumbs up for you.

10 The information we get and the time  
11 you put in respecting what we can bring shows through  
12 that. So I thank the members that serve, but I thank  
13 the staff because I think that goes a long ways in  
14 making these meetings educational for us and  
15 beneficial.

16 I know I hear over and over again from  
17 Council members that we walk out of here knowing  
18 things we didn't even know we needed to know, the  
19 complexity of this organization of what its  
20 challenges and opportunities are. So I congratulate  
21 you-all for using us in a, I think, meaningful way.

22 MR. TOM LITTLEPAGE: And I would just  
23 amend that to especially thank Beth for the  
24 logistics.

25 CHAIR DEBORAH WOOLLEY: She's doing a

1 marvelous job.

2 With that, is there any other  
3 business?

4 Do we have a motion to adjourn?

5 MR. TOM LITTLEPAGE: So moved.

6 MR. MITCH JONES: Second.

7 CHAIR DEBORAH WOOLLEY: All in favor.

8 We're adjourned.

9 END OF MEETING

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REPORTER'S CERTIFICATE

STATE OF TENNESSEE )  
 : SS.  
COUNTY OF KNOX )

I, Kimberly J. Nixon, RPR, the officer before whom the foregoing meeting was taken, do hereby certify that the foregoing transcript was taken by me in machine shorthand, and thereafter reduced to typewriting by me;

That the transcript is true and accurate and that the transcript was prepared under my supervision, and attached to this certificate is a true, accurate and complete transcript, as provided by law;

That I am neither counsel for, related to, nor employed by any of the parties to this action; and I further certify that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action; and that the foregoing transcript is complete and accurate in all particulars, as provided by law.

In witness whereof, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
KIMBERLY J. NIXON, RPR  
NOTARY EXPIRES 3/23/16.